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1926 TWENTY-SEVEN (27) YEARS OF SERVICE . . . 1953

THURSDAY, DECEMBER 24, 1953



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Pioneers in Protection—serving with 20,000 Agents in the Public Interest

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

57th Year, No. 52
December 24, 1953

Levering Cartwright to Leave National Underwriter Dec. 31

**Executive Editor, Leader
in Insurance Journalism,
to Set Up Own Office**

Levering Cartwright has resigned as executive editor of the two editions of THE NATIONAL UNDERWRITER, effective Dec. 31. He has established an office at 2168 Board of Trade building, Chicago, and will engage on his own account in insurance editorial activities and offer specialized insurance services.



Levering Cartwright

Kenneth O. Force continues as editor of the fire and casualty edition and Robert B. Mitchell as editor of the life edition.

A Princeton graduate, Mr. Cartwright spent several years as reporter and editorial writer for the Chicago Tribune before joining THE NATIONAL UNDERWRITER in 1930. His father, C. M. Cartwright, who died in 1951, was managing editor from 1900 until his vision began to fail several years ago, at which time Levering Cartwright was appointed to succeed him. His title became executive editor in 1950.

The Cartwright name has been an illustrious one in insurance journalism since the turn of the century. C. M. Cartwright was known and beloved by insurance men in all branches of the business for 50 years. It was a natural step for his son to succeed him in the chief editorial position.

Levering Cartwright brought to THE NATIONAL UNDERWRITER from the Chicago Tribune a modern, daily newspaperman's conception of news gathering and editing. He has a keen sense of news values. His coverage of insurance conventions and meetings is comprehensive and discriminating. His acquaintance among the insurance fraternity is countrywide and extensive.

He is a student of the business. He senses trends, follows them closely and is able to interpret them in an illuminating way. His editorials are always penetrating, concise and pungent and written in a style that makes them distinctive. He will take with him the best wishes of all of his associates of THE NATIONAL UNDERWRITER.

Rudgers Asst. Secretary

Maxwell D. Rudgers, executive assistant of Lumbermens Mutual Casualty at Syracuse, N. Y., has been appointed assistant secretary of the company. He joined it as district agency supervisor in 1946 and has been at Syracuse since 1949.

FTC Investigation To Cover All Types of A & H Insurance

WASHINGTON—Federal Trade Commission's investigation of A&H and hospitalization insurance has been launched on a nationwide basis and will cover all types of insurers. FTC has put out a press release saying its investigation will not extend to intrastate activities; the commission will cooperate with state commissioners and will refer matters in their jurisdiction to them.

Alleged false and misleading advertising will get primary attention. A resolution adopted by FTC directing the investigation says in part:

"The commission has information to the effect that certain practices may be prevalent in the A&H insurance industry in connection with the solicitation and sale of disability insurance, including protection for hospital, surgical and medical expense; loss of sight, life and limb; loss of income due to disability, by insurers using the United States mails, or agents, or both, resulting in buyers of such insurance being deceived by false and misleading misrepresentation as to the actual benefits payable thereunder."

While apparently the investigation was prompted by violations of the trade practice rules for mail order insurers, FTC has decided to go into the whole A&H advertising field, although the commission has not said what it will do with the information it turns up.

Robert Sills, an FTC attorney who recently testified at the Langer hearing, will be in general charge. The investigation will be handled largely by the FTC bureau of anti-deceptive practices, the chief of which is Daniel J. Murphy. Mail order trade practice rules will be handled by James A. Horton. A. A. Layne, counsel for Assn. of Insurance Advertisers, says his organization gave over to FTC "practically everything" its members use, and Mr. Layne says from his standpoint FTC does not have to investigate the mail order companies because full information on them is already in the hands of FTC.

Officials of FTC say their investigation is primarily fact finding and Con-

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EC Rate Hike O.K'd in Ark.; Mandatory Deductible Dropped

Commissioner Combs of Arkansas has approved a filing of Arkansas Inspection & Rating Bureau increasing EC rates approximately 25% applicable only to building coverage. The bureau withdrew its application for a mandatory \$50 windstorm and hail deductible which Combs denied in his order of Dec. 12.

The new filing is about the same which the department approved in July. Dwelling EC rates are raised from 34¢ to 43¢ for full coverage. In the July filing, the increase was from 34¢ to 42½¢ with the addition of a \$10 flat charge "per building". Also, television antennas were excluded under the July filing and could be insured only by payment of a separate \$5.04 per \$100 rate. This exclusion is not in the present rate filing.

The new filing also provides for an optional \$50 deductible plan for assured not wishing to pay the advanced full coverage rate. The deductible rate is 31¢, a 3¢ reduction from the present full coverage EC rate on dwellings. Under the July filing, the bureau proposed to charge 34¢ for this optional deductible.

Farm dwellings are increased from 45¢ to 59¢ with a deductible rate of 44¢; and barns, etc., from 56¢ to 72¢ with a deductible rate of 54¢. Frame mercantiles are raised from 33¢ to 43¢ with an optional deductible rate of 31¢; brick, 29¢ to 39¢ and a deductible of 27¢; all-steel buildings from 19¢ to 29¢ and an optional rate of 17¢. Wind resistive buildings are not increased from the present 6¢, but a new deductible rate of 5¢ has been established.

Fete Humphreys, Cogswell

A reception and dinner is to be given Jan. 1 to Commissioner Humphreys of Massachusetts and to Edmund S. Cogswell, former commissioner who retired in August, under the sponsorship of Insurance Society of Massachusetts. Julius F. Haller of O Brion Russell & Co., is chairman.

Launch American Insurance Assn.; Jackson Chairman

**IEA to Be Terminated
but AIA Will Not Take
Over Its Functions**

NEW YORK—American Insurance Assn. has been formed here composed of more than 50 groups of stock fire, casualty and marine insurers. Principal purpose will be to provide a forum for free discussion of problems affecting the business.

A. B. Jackson, president of St. Paul F. & M., was elected chairman; J. D. Erskine, who has been secretary of Insurance Executives Assn., secretary, and F. Elmer Sammons, president of Hanover Fire, treasurer.

These groups were elected to the general committee of AIA: Aetna Fire, America Fore, Employers Liability,



A. B. Jackson



F. Elmer Sammons

Fireman's Fund, Glens Falls, Hartford Fire, Home, London & Lancashire, Loyalty, National Surety, Royal-Liverpool and U.S.F.&G.

There is, naturally, wide interest in the achievement of a new kind of organization where all lines of insurance are represented and where issues affecting any line, or all lines, may be discussed. The appearance in the membership list of the casualty companies is significant. They include, besides those on the general committee, American Surety, Fidelity & Deposit, Hartford Accident, General Accident, Maryland Casualty, New Amsterdam Casualty. Membership in AIA is by group. If one company belongs, all in the group are members.

The appeal of the new organization is reflected in the membership of Aetna Fire, Chubb & Son, Fire Association, Fireman's Fund and Home, among others. Home, Fire Association and Fireman's Fund were not members of IEA.

One executive commented at the organization meeting last week in New York that more companies were represented there than at any fire-casualty meeting in years.

There has been some confusion along the line that AIA is a new and bigger IEA, or that it is another organization similar to IEA that is absorbing IEA and its functions. Neither is true.

It is understood that IEA has taken

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Late News Bulletins . . .

New Ohio Casualty Lineup

Howard Sloneker, Sr., the president of Ohio Casualty, has now been elected to the newly created position of chairman and he continues as the chief executive officer. Howard Sloneker, Jr., who has been a vice-president, assumes the presidency while John Sloneker is designated as 1st vice-president and Joseph L. Marcum is named 2nd vice-president and secretary.

N. A. Has Independent N. Y. Dwelling Rates

North America has informally submitted independent dwelling fire and homeowners rates to the New York department. The group recently notified various fire rating bureaus of its intention to withdraw as subscribers by next March 1, and previously had withdrawn from Multiple Peril Insurance Rating Org., which handles homeowners.

There have been indications that New York Fire Insurance Rating Org. would

(CONTINUED ON PAGE 24)

NAIA ASKS TAX CHANGE

Agents Would Report Commission for Tax Purposes as Earned

WASHINGTON—A request to amend the present federal income tax laws to permit insurance agents on an optional basis to report commissions for tax purposes as they become earned over the term of the policy has been submitted by National Assn. of Insurance Agents to Representative Reed of New York, chairman of the House ways and means committee, and Dr. Colin F. Stam, chief of staff of the joint committee on internal revenue taxation. The NAIA statement was presented by J. V. Arthur, Winchester, Va., chairman, and J. L. Jagoe, Jr., Washington, D. C., member of the NAIA legislative committee, together with the NAIA Washington representative, Maurice G. Herndon, and George S. Hanson, NAIA associate counsel.

NAIA adopted a resolution at its annual meeting which requested the House ways and means committee to amend the laws "to permit insurance agents, accounting on an accrual basis, to set aside unearned commissions in a separate fund and allow them to report as income for tax purposes commissions as they become earned over the term of the policy."

NAIA noted that decisions of the courts and rulings of the internal revenue bureau concerning taxation of the income of property and casualty insurance agents are generally based on the principle that commissions, in their entirety, become expendable in-

come when received and must be reported for tax purposes upon receipt. The Supreme Court case of Brown vs. Helvering, decided in 1934, was mentioned as the precedent most often cited.

However, the NAIA stated, some inequities arise as a result of the rigid application of this principle by reason of the method of operation of the typical insurance agent and are especially pronounced where the insurance agent writes policies for one or more large commercial or manufacturing risks on the "term rule" basis.

American Auto Again Wins 'Ad' Case at L. A.

LOS ANGELES—Superior Court Judge Ford has sustained the demurrer of Raymond G. Stansbury, counsel representing American Automobile, in the quo warranto proceedings brought by A. Barton, attorney, in which Barton alleged advertisements of the group violated the criminal code in that they would have the effect of prejudicing and swaying prospective jurors in consideration of accident damage suits.

Judge Ford ruled the plaintiff had stated no offense under which the defendant companies could be held. The court gave the plaintiff 30 days in which to amend his petition.

Barton's action was brought in the name of the people of the state of California under a permit granted by Attorney General Brown, and was instituted despite the fact that legality of the "ads" had been upheld in federal courts at Philadelphia and Spokane, and by the Sedgwick county, Kan., district court.

Harry L. Johnson has sold his agency at Newton, Kan., to Joe Unger, formerly of Belleville, Kan., due to ill health.

Charges Travelers Would Have Monopoly With TV Station

The federal communications commission hearing examiner has been asked to enlarge the issues on the question of whether Travelers through a subsidiary should be allowed to operate a television channel in Hartford. Hartford Telecasting Co., which is competing with Travelers Broadcasting Service Corp., a wholly owned subsidiary of Travelers, says if Travelers operates a TV station, the company might exercise a monopoly influence over the economic life of the city.

Travelers has asked that this motion be thrown out on the grounds that it violates FCC procedure in that Hartford Telecasting has already been given three opportunities to set forth the issues it wants included and did not mention the monopoly question before; but the counsel for FCC's broadcast bureau recommended that it be included because of its importance. Arthur S. Feld, the attorney, conceded Hartford Telecasting might be in violation of procedure of the rules with the motion, but the substance is more important than form, he said.

Hartford Telecasting argued that Travelers, through its ownership of stock in other insurers, in banks, public utilities, railroads, industrial companies, and through its investments and deposits and through interlocking directorates is the dominating economic power in the Hartford area. Travelers already owns a radio station in Hartford and it would be contrary to the public interest, according to Hartford Telecasting, to let Travelers, "already dominating and controlling the economic life of the Hartford area, also to be authorized to own and operate the area's only VHF television station."

Travelers said the motion is in the nature of delaying tactics. The monopoly charges are broad and unsubstantiated and amount to little more than an allegation that Travelers is big, the company said.

Preferred Has Declared \$100,000 Stock Dividend

Preferred of Grand Rapids has declared a \$100,000 stock dividend, increasing its capital to \$500,000 and making surplus to policyholders of approximately \$1,200,000. The company plans to continue its old dividend scale of \$1.20 per share. The company declared a 40% stock dividend in 1950 and in 1952 issued one new share for every seven outstanding.

Employers Cas. to Vote on 25% Stock Dividend

Stockholders of Employers Casualty will vote Feb. 18 on a proposal to offer a 25% stock dividend which would increase the capital to \$1,250,000.

Joins Mich. Department

Thomas Dunavant, formerly with Wolverine, has joined the Michigan department's staff as casualty assistant in the property insurance division. He succeeds William Northup, who went with Citizens Mutual Automobile.

May Hike Cornbelt Capital

Stockholders of Cornbelt, the insurer at Freeport, Ill., that started operations this year, are considering a proposal of directors to increase the com-

pany's capital by \$300,000 through the offering of 200,000 shares with a par value of \$1, to be sold for \$3 per share with \$2 being contributed to surplus. The company started with 200,000 shares of \$1 par value stock that sold at \$2 each.

Stockholders also are considering amendments to the company's charter that would enable it to write classes of business other than fire and also to operate in additional states. It now writes fire only in Illinois.

Hearthstone Fails To Get Injunction

The petition of Hearthstone Ins. Co. of Boston for an injunction to prohibit Commissioner Maloney of California from proceeding with his actions against the company on accusations of false advertising, has been denied by Judge H. C. Kaufman in San Francisco's superior court. Judge Kaufman also dismissed a restraining order obtained by Hearthstone to prevent Maloney from holding a hearing on the charges.

Hearthstone, which is a member of Combined of Chicago group, intends to appeal to the district court, and in the meantime the department has set Feb. 1 as the date for a hearing.

Hearthstone has been accused of fraudulent operations and questionable advertising.

Underwriter's Reward



Samuel A. Markel, chairman of American Fidelity & Casualty (left), is shown here giving a check for underwriting commissions to George Geyer, president of Geyer & Co., as the leader of an investment banking group that underwrote the recent subscription offering of 150,000 shares of American F. & C. new \$1.25 convertible preferred stock. The issue brought American Fidelity some \$3 million in new capital.

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Earthquake • Liquor Liability
Valued Use and Occupancy • Malpractice
Excess or Primary • Personal Accident

Aviation • Marine:

Hull • Motor Truck Cargo
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Six-Month PDL Auto Policy Weighed by Gold of N. C.

RALEIGH, N. C.—Commissioner Gold now is debating a six-month auto physical damage policy proposed by Dixie Fire & Casualty of Greer, S. C., and argued at a public hearing on Dec. 15. The commissioner promised a decision soon.

American Manufacturers Mutual, American Motorists and Lumbermens Mutual Casualty were represented at the hearing as friends in court in favor of the proposal. Edmund J. O'Brien of Chicago, assistant general counsel of Lumbermens, made the principal arguments for the plan.

Mr. O'Brien said that under a grandfather clause some companies already may sell auto physical damage on a six month basis. An exception to the manual rules also permits writing it but requires that a company do it exclusively and do so in most of its territory.

"We want to write both on the six-month and the 12-month basis," he said. "We are not in a position to write all on the six-month plan."

The policy reached the commissioner on appeal from North Carolina Fire Rating Bureau, which declined to approve it when filed by Dixie F. & C. W. T. Joyner of Raleigh, general counsel of the bureau, said it is the bureau's position that, generally speaking it is the soundest practice to write insurance for no less than one year. However, he said, the bureau recognizes embarrassment from two angles; North Carolina rate administrative office has approved a six-month plan for liability insurance and then there are exceptions under the grandfather clause.

Mr. Joyner said the bureau was not happy about the exceptions and not responsible for the six-month liability policy. He argued that to write a six-month policy at 50% of the annual rate would be discriminatory against the man who has a one-year policy.

He added that the filing, from this standpoint, provides a reduction in premium. He suggested that if the Dixie plan is approved it be treated as a deviation for individual companies.

However, Virgil Cox, claims attorney of the Dixie, said his company was not seeking a deviation. The direct writers can write a six-month policy now. If one company is going to write a six-month policy, then all companies should have the same privilege, he said.

The appeal also received support from T. A. Wilson, president of Textile Ins. Co., and H. J. Carr, president of North Carolina Assn. of Mutual Insurance Agents.

Guaranty F. & M. Fights Back in Massachusetts

David C. Ganak of Boston, counsel for Guaranty Fire & Marine of South Carolina, has issued a statement attacking the action of Commissioner Humphreys of Massachusetts as "unfair, unjust and unwarranted" in removing this company from the list of approved unlicensed excess lines insurers. Subsequently Humphreys got a temporary court order restraining Guaranty F. & M. from withdrawing cash or securities in Boston banks.

Also, Humphreys filed an action in Suffolk superior court seeking to compel Guaranty F. & M. to become li-

censed in Massachusetts on the ground that it had issued 2500 automobile policies in the state last year. The bill also asked for an order to compel brokers placing business with Guaranty F. & M. to pay the 4% premium tax that is called for on policies with non-admitted companies except in the marine and transportation field.

Mr. Ganak said the company has conducted itself fully in accordance with the Massachusetts statutes and department regulations. He said Guaranty has voluntarily left in Massachusetts banks considerably more than the aggregate of unearned premiums upon policies written on Massachusetts risks and he said the company has paid claims promptly and is aware of no complaints on this score.

Exception Taken by Brokers to Suggestion of Commission Control

The solution to the problem of commissions will not be reached by reducing them or having the state regulate them, John O. Cole, chairman of the governing committee of the National Assn. of Insurance Brokers, stated in a letter to Donald C. Bowersock, Boston and Old Colony, in which he took exception with a speech made by Mr. Bowersock before Eastern Underwriters Assn.

Mr. Bowersock had said that this problem, which is still unsolved and which is being further aggravated by the direct writers' invasion of the dwelling field, could be alleviated by regulation of commissions by the states through additional legislation at state levels or through the application of rate level formulas.

Not only the NAIB, but also the other two national producer associations and many insurers are strongly opposed to state regulation of commissions, Mr. Cole said.

Mr. Cole pointed out that the statement in reference to direct writers in the dwelling field was false. He referred to a recent study made by the NAIB in which figures prove conclusively that the rate differential offered by direct writers is not the result of lower acquisition costs, but of careful selection and more efficient handling of business.

He offered the services of NAIB in cooperation with company organizations in finding a solution for reducing costs to the insuring public.

Unearned Commissions, Even in "Clean" Cases, Irk Responsible Union Officials

Pressure to Bar Such Payments in Group Cases Where No Service Is Rendered May Call for Powerful Defense from Adherents of Agency System

NEW YORK—Legislation to prevent the kind of exploitation of labor union welfare funds that was disclosed here in two days of hearings last week can be regarded as a sure thing. From an insurance viewpoint, the big question is, What form will such corrective measures take and how will they affect the group insurance end of the business and possibly other branches as well? Also, there might conceivably be a jurisdictional conflict between the insurance department and the banking department.

Commissions paid by group insurers to an agency dominated by Thomas Lewis, murdered president of local 32E of AFL Building Service Employees Union in the Bronx, seem likely to be a point of attack in remedial legislation.

This is highly significant from the viewpoint of the insurance business generally, not just group life and group A&H, because many union leaders with irreproachable welfare fund and insurance arrangements feel that the payment of any commissions that are not actually earned is unwarranted and leads to situations in which grasping labor leaders shop around for the highest commissions rather than trying to get the best deal for their members.

It would not be surprising if a strong effort were made to get the commission eliminated entirely, on the ground that if nobody really earns it why should it be paid? It is true that for a big case the commission that is more or less standard with the major companies results in a rather nominal payment to the producer, because the commission is on a sliding scale basis. Nevertheless, a number of union leaders who are honestly trying to get the most in the way of benefits for the members are irked at seeing any of the premium money go to pay for commissions for which no service is rendered.

This question came up in connection with the placing of the insurance of the welfare fund in another local of the Building Service Employees Union, it being local 32B covering Manhattan and Queens. The union leaders wanted no commission paid but were informed by the insurer that under the law it had to be paid to somebody.

Pressure to eliminate commissions altogether from labor union group cases would of course put the group-writing companies on the spot and bring powerful protests from producers' organizations. At National Assn. of Life Underwriters meetings in recent years there have been cases reported of group companies writing cases on which they paid no commissions. These aroused intense resentment. Group insurance executives who freely concede that the producer who gets the commission on a group case often does nothing to earn it are nevertheless inclined to feel that payment of an unearned commission is preferable to eliminating commissions on these cases and thereby possibly endangering the agency system.

But fortified by the sordid details of the exploitation that has been going on, a demand for elimination of commissions in union welfare fund group insurance could be a difficult project to block in the state legislature.

There is a second implication of the investigation into the welfare funds:

The investigation could conceivably lead to insurance department regulation of trustee employee benefit plans having no connection with unions or collective bargaining. The chain of reasoning goes like this: Further disclosures in the union labor welfare field are expected to make an overpowering case for insurance department regulation of all these welfare funds, both insured and self-insured. There is some

(CONTINUED ON PAGE 23)

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A Progressive Company
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COMPLETE AUTOMOBILE
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Selling Tools for any
Selling Task

GENERAL LIABILITY
GLASS
BURGLARY AND ROBBERY

Moser's Verse and Subject Matter Is Greatly Improved

For the last several years, Henry Moser, who is now the general counsel of Allstate, and who is one of the best known figures on the contemporary insurance scene, has promulgated a verse that he has sent around on his Christmas card, and this has always been on such solid topical matters as the SEUA decision, public law 15, deviation filings. This year Mr. Moser has a collaborator in his poem, and his friends find that this has improved his output no end and has brought a refreshing change of subject matter. The collaborator is the former Ruth Coy of Oklahoma City and New York, who is now Mrs. Henry Moser and who was introduced to the insurance scene at the recent Miami Beach convention of NAIC. They were married just a day or two before the convention started, and they occupied the Pent House A on the Sea Isle and this was the center of social activity during the convention. The 1953 poem by Ruth and Henry Moser, which was mailed from San Juan, reads:

Do you know why the rabbits are caught in a snare
And succumb so, to feminine wiles?
Why the tigers and lions creep out of their lair,
Birds and bees off travel for miles?
Do you know why Kinsey reports about sin,
Why sane men oft coo like a dove?
Do you know why insurance's not mentioned herein?
Do you know? Well, we'll tell you.
—It's love.
Do you know why this Christmas, this card's signed by two,
And H. M. did not sign it alone?
Do you know why it's postmarked not far from Peru,
And for postage, we floated a loan?
We'll tell you. We're wed. And we'll add if you ask us,
We're happy as larks up above.
So, Feliz ano Nuevo! Felices Pascuas!
And what's more? We both send you —our love.

Launch Stock Selling for New Indianapolis Insurer

Articles of incorporation have now been filed for Wabash Fire & Casualty of Indianapolis, president of which is Henry F. Schriker, former Democratic governor of that state. Headquarters are at 2118 North Meridian street. The authorized capital is \$1½ million; there is to be sold at the outset one million shares of \$1 par value at \$3 per share. The stock selling is to be in charge of Henry S. Murray, former mayor of Bedford, Ind., and Robert M. Mayes of Paoli.

Secretary-treasurer is J. Carl Suerkrup who resigned as chief examiner of the Indiana insurance department. Ralph W. Hill, general agent of Indi-

anapolis, and Gilbert Withers, local agent of Mitchell, Ind., are vice-presidents.

Directors include Benton E. Gates, attorney of Columbia City; Alvin C. Johnson, Indianapolis, former assistant attorney general; Chester C. Wingate, Muncie banker; Paul W. McKee, Hartford City manufacturer; Walter H. Maehling, local agent, real estate man and representative from Terre Haute; J. Ralph Thompson, farmer and dairy firm operator of Seymour; Wesley Malone, adjuster and state senator of Clinton; J. C. Underwood, in the insurance business at Indianapolis; H. Paul Crouch, automobile dealer and local agent of Tipton, and Eugene B. Crowe, Bedford banker and former congressman.

Western Adjustment Honors A. R. Wells on Retirement

A. Ray Wells, senior staff adjuster of Western Adjustment at Columbus, O., was tendered a dinner by his associates of the downtown and the two suburban offices Monday night. Mr. Wells is retiring Jan. 1 after 37 years with the company, all but six months of that time with the Columbus branch. The head office at Chicago was represented by Dale Stentz, executive supervisor, who presented Mr. Wells a gold wrist watch. Allen Guy, regional supervisor, presented a gift from his associates, and Harry F. Albershardt, past MLG of the Ohio pond, on behalf of the Blue Goose presented him a life membership certificate.

Mr. Wells went from Cleveland and joined R. R. Lippincott from Cincinnati to open a new branch at Columbus in 1917. Before that Mr. Wells had been for 13 years with the Bryson-Bedwell agency.

New Allstate Directors

T. V. Houser, vice-president of Sears, Roebuck & Co., and Gordon V. Hattersley, vice-president in charge of Sears' eastern territory, have been elected directors of Allstate. Judson B. Branch, Allstate vice-president, and Donald MacArthur, vice-president and treasurer, also were named directors.

Cherokee Boosts Premiums

Cherokee of Nashville, showing a total premium volume of \$16,018 for its first year in 1946, had a premium volume in excess of \$2,750,000 for 1953. Space in the home office was recently increased 60% by an addition in the rear of the present building. Cherokee confines its operations to Tennessee, Kentucky, Alabama and Mississippi.

Plans for Lloyds Hearing

The hearing of the NAIC subcommittee to study questions relating to London Lloyds reinsurance is to be held in the National Board building at 85 John street, New York, commencing Jan. 25. Daily sessions will be held throughout the week if necessary. The specific question before the committee

is whether the resources of Lloyds are such that they should be exempt from the usual provision that an insurance company may not take credit in its reinsurance reserves for reinsurance in a non-admitted insurer.

Travelers Radio Program Dec. 27 to Review 1953

Travelers will sponsor "Voices and Events—1953," a year-end news review, Dec. 27, from 4:00 to 6:00 p.m., eastern time over the National Broadcasting Co. radio network.

President J. Doyle DeWitt will speak briefly in tribute to the agents. The program will present 1953's highlights and sidelights, including edited tape recordings of leading events.

Lafrentz Luncheon to Press

Continuing a custom of many years, a group of New York insurance newspaper men was entertained at a luncheon given by F. W. Lafrentz, chairman, and A. F. Lafrentz, president of American Surety. Several of the company's officials assisted.

Congratulatory letters from the editors of the insurance publications represented, addressed to F. W. Lafrentz on his 60th anniversary with the company, were read. The letters will be appropriately bound and presented to him.

Aetna Makes Two Changes

J. B. Cortright, Aetna special agent, has been transferred from western Pennsylvania to Philadelphia serving Philadelphia, Delaware and Maryland. Special Agent William B. Wisner from Albany succeeds him temporarily in the Greenville office.

Mr. Cortright went with Aetna in 1940, subsequently becoming a special agent in Wilkes Barre. He was in the Harrisburg territory until being assigned to Greenville in 1949. He is an army veteran. Mr. Wisner joined the company in 1951. He went to Albany in 1952.

Mappus S. C. Special Agent

James A. Mappus has been appointed special agent of Springfield F. & M. in South Carolina with headquarters at Columbia. He attended Clemson College before entering insurance four years ago at Charleston.

Newman Promoted in Mich.

Harry Newman has been promoted from inspector to special agent in Michigan for the New Hampshire group. He has been associated with Harry Pollock, manager at Detroit, since last May. In his new assignment he will assist State Agent Donald R. Sipple in the lower peninsula and upper peninsula areas in eastern Michigan.

He started with New Hampshire in 1946 in the fire underwriting department. After air corps service he worked in various departments before going into the Michigan field.

Cheek Now President of Independence Life

Waldo C. Cheek, former commissioner of North Carolina, has been elected president of Independence Life of Charlotte.

Ernest H. Woods, who had been president since organization of the company last April, becomes chairman.

Mr. Cheek joined the company on Oct. 15 as a consultant.

Three Leaders Honored on La. Insurance Day

The state of Louisiana celebrated "Insurance Day" by governmental proclamation Dec. 15. New Orleans Young Men's Business Club gave a luncheon in honor of Commissioner Wade Martin, Jr., Jules Simoneaux, New Orleans general agent and E. J. Seymour of Monroe, president of NAIA, all three of whom were named in the proclamation.

John Lumley Resigning as Sterling V.-P. Dec. 31

John H. Lumley, executive vice-president of Sterling of Chicago, is resigning Dec. 31. He expects to announce his business plans shortly.

Mr. Lumley has been with Sterling for 7½ years, starting with the company after his service in the war as a commander in the navy. He has held an executive position and since the retirement of Louis A. Breskin in March, he has been in charge of the company.

Me. Agents, Field Men Meet

President Clyde Condon of Maine Assn. of Insurance Agents, George F. McFarland, full-time secretary of the association, and Carlton Scott of the executive committee were guests of Pine Tree State Field Club at its December meeting at Portland. The relation of the association to the field club was reviewed and several problems of mutual interest were discussed.

Schwogler WFUA Speaker

F. J. Schwogler of Wisconsin Fire Insurance Rating Bureau discussed "Recent Changes in Rates and Forms" at a special luncheon meeting of Wisconsin Fire Underwriters Assn. at Milwaukee.

Gilboy Goes with Rockwood

Michael Gilboy has gone with the Rockwood Co. in Chicago as a broker. Starting with the Kemper organization in 1939, in the auditing and accounting division, and later going into the field. Mr. Gilboy after five years in the last war returned to Kemper for a short time. After that he was with Marsh & McLennan for five years as an account executive, specializing in programming and business interruption. He then joined General Finance and helped form the life company for that organization—Mid-States Life—after which he went with the Rockwood Co. Mr. Gilboy is a CPCU.

Postpone Extradition Decision

Governor Stratton of Illinois has put off until after the holidays a decision on whether he will honor extradition papers forwarded from Governor Talmadge of Georgia on John MacArthur, president of Bankers Life & Casualty. Mr. MacArthur and his attorneys attended a hearing with Governor Stratton last week, and observers feel that it is a foregone conclusion that the papers will not be signed. Three rural courts of Georgia have indicted Mr. MacArthur on charges of libeling Commissioner Cravey.

Walter R. McCord, executive secretary of Kentucky Assn. of Insurance Agents, has been made a deputy state fire marshal.

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ALEXANDER NEW PRESIDENT

Schleyer Chairman, Patterson American Auto Vice-Chairman

Directors of American Automobile have elected O. L. Schleyer chairman, Otto Patterson, vice-chairman, and elevated Robert Z. Alexander, who has been senior vice-president, to president.

Mr. Schleyer, oldest member of the organization in point of service, has been president since 1938. As chairman, he will continue active as chief executive officer of American Auto and its affiliated companies.

Mr. Patterson joined the company in 1918 and has been executive vice-president since 1938. For more than a year, due to ailing health, he has found it necessary to lighten his responsibilities. He will continue to serve in an advisory capacity.

Mr. Schleyer attended City College of Law & Finance and had local agency experience before joining American Auto only a month after it was formed in 1912. He became assistant secretary



O. L. Schleyer



Otto Patterson



Robert Z. Alexander

in 1921 and vice-president in 1925. He and Mr. Patterson are recognized as outstanding pioneer executives in the field of automobile insurance. Mr. Patterson was a claims man before turning to underwriting in 1925, and a year later was named assistant secretary. He served as vice-president in charge of production and agency relations from 1931 until his election as executive vice-president.

Mr. Alexander, after graduation in 1921 from University of Chicago, held supervisory field positions with Firemen's and Liverpool & London & Globe. He joined American Auto in 1925 as assistant manager at Detroit and was promoted to manager in 1931. He went to the head office as vice-president in 1939.

Olympic to Write Full Multiple Lines Jan. 1

Olympic of Los Angeles on Jan. 1, will begin selling a "personal package policy" which combines nine coverages—fire and allied lines, plate glass, inland marine, burglary, automobile BI and PHD, public liability, workmen's compensation and employer's liability, automobile line field. It advises that agents may write only one of the lines or a combination of one or more for an insured. The policies will be available at first only in California. The company intends to "start slowly and built considerably," according to S.

Arch Richards, vice-president. Olympic has been writing automobile physical damage almost exclusively.

Fire, inland marine and casualty lines, except automobile, will be in charge of George Behnke, fire and marine manager; J. G. Kirkman will handle automobile, and John Chambers will be in charge of the agency force.

Automobile General Adjusters Assn. of San Francisco last week heard a talk on highlights on different types of frame bends by M. C. MacArthur of the Bee Line Co.

Am. Fidelity & Casualty Offering Well Absorbed

The 150,000 shares of new \$1.25 convertible preferred stock which American Fidelity & Casualty offered on a share-for-share basis at \$22.25 a share to its common stockholders, have been fully subscribed to through exercise of rights, Geyer & Co., underwriters of the offering, announce.

As a result of the complete exercise of rights, which expired Dec. 9, there remained no stock to be offered publicly.

The proceeds of more than \$3 million

will be used by the company to improve the relationship of capital funds to the volume of premiums written, to finance an anticipated further growth in business, and to enable the company and its insurance subsidiary to retain a larger volume of their premium writings for their own account.

Graham Middletown Head

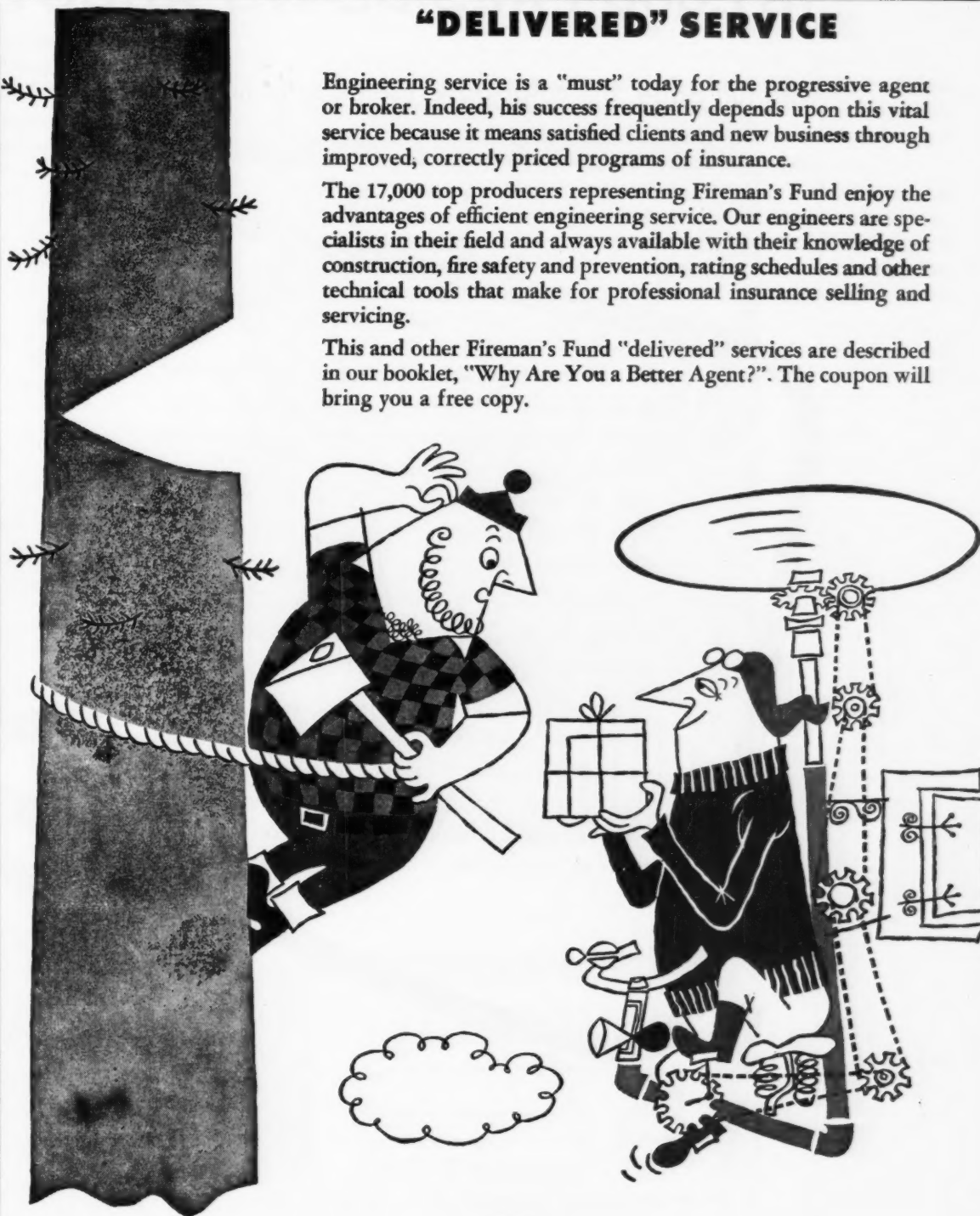
D. T. Graham has been appointed manager at Middletown, O., for Underwriters Adjusting. He has been located at Dayton with Underwriters since 1946.

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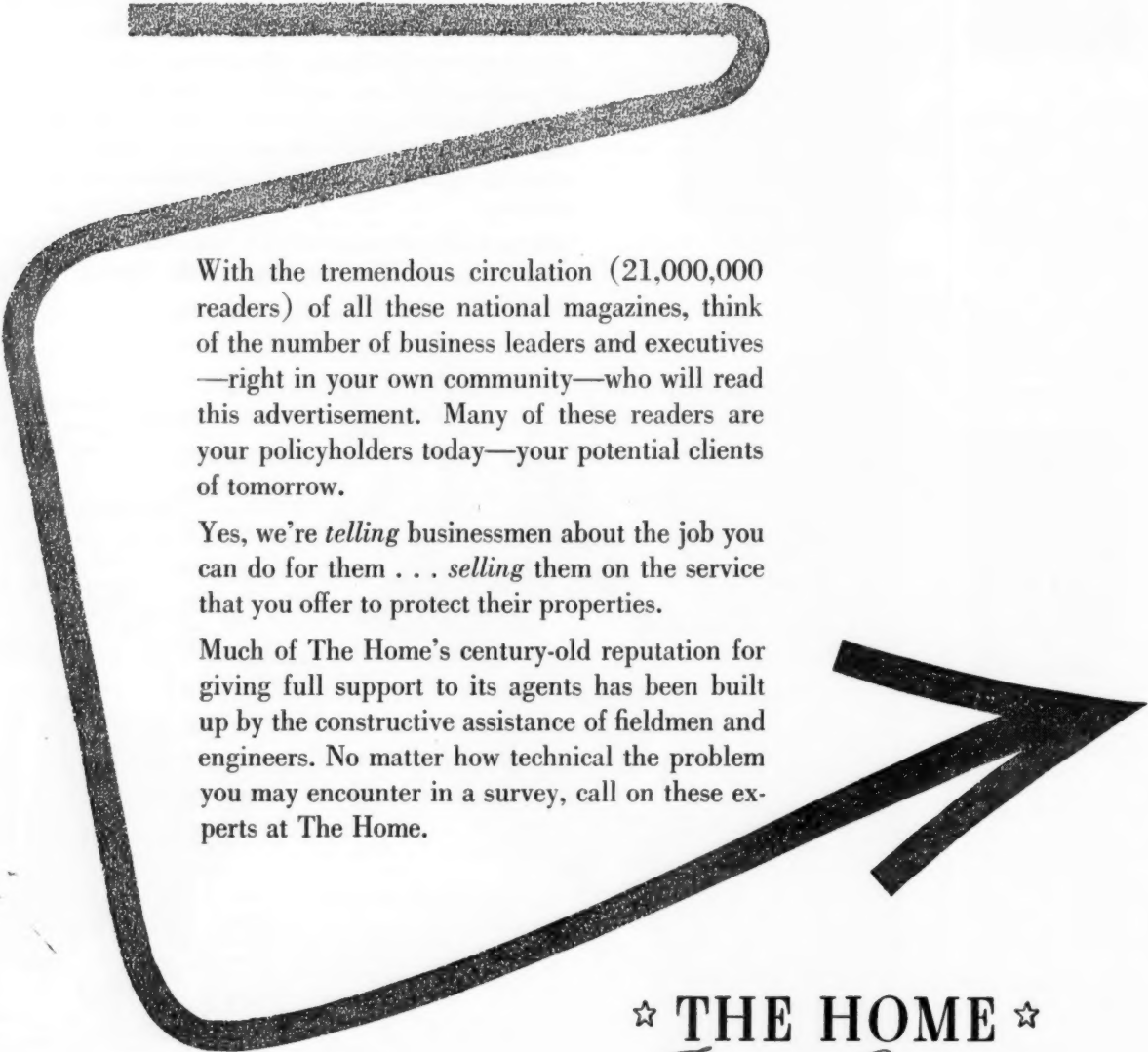


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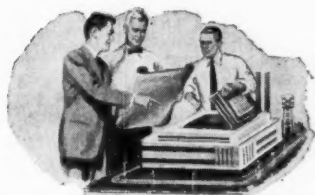
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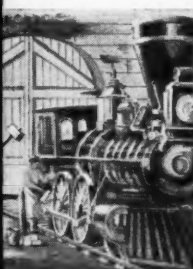


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Even the literary world was interested in insurance in the late 1870's, for so Mark Twain wrote to one of the Phoenix' newly-appointed agencies.

During the last two decades of the 19th century, the Phoenix established many agencies throughout the country, the soundness and permanence of which are demonstrated by the fact that about seventy of them still actively represent the Group.

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Dean Parker Heads NYC Casualty & Surety Club

NEW YORK—A record crowd, more than 800, attended the annual Christmas party of Casualty & Surety Club of New York.

New officers are Dean Parker of Travelers, president; Stephen Bedell of Maryland Casualty and William R. Ehrmanntraut of American Surety, vice-presidents; and Norman R. Clark, Travelers, secretary.

New members of the executive committee are W. E. Taefner of Standard Accident, John P. Madigan of General Re, J. M. Pernollet of Employers group, Walter J. Jeffery, U.S.F. & G., and Henry E. Knoblock of Fireman's Fund.

Sawbuck Deductible Has Been Good to Farm Bureau

The NATIONAL UNDERWRITER got an inquiry the other day wanting a list of companies that are writing \$10 deductible collision insurance in Kansas. This "sawbuck" deductible as it has become known in the trade, was pioneered, it is believed, by the Farm Bureau companies. For instance, Farm Bureau Mutual of Manhattan, Kan., started writing the sawbuck form when it was organized in 1938 and this company has never offered or written any other type of collision insurance contract.

It is believed that the only other company offering the sawbuck form in Kansas is the insurer that was organized last year by the State Grange farm organization. There are a number of other Farm Bureau companies that write the sawbuck form. It is believed that this was originated by Country Mutual Casualty of Illinois about 1925. The experience of the Farm Bureau companies on this form is said to have been favorable despite the fact that premium rates on this compare very favorably with the rates of other companies for higher deductible form.

Ore. Rate Reduction Seen

A decrease in private passenger auto BI-PD rates is expected in Oregon in the near future, according to Arthur M. Eppstein, president of Oregon Automobile. In a talk before Oregon Highway Life Savers, Mr. Eppstein said a committee of underwriters presently is considering reductions which will be filed with the insurance department in the near future. He credited the Life Savers program with bringing about the reduction.

Baldwin to Syracuse Post

Donald J. Baldwin has been transferred to Syracuse, N. Y., as casualty claims adjuster for New England Ins. Co. of the Springfield group. He has been an adjuster in central and western Massachusetts and northern Connecticut for 15 months. He joined the Springfield group in 1952. He is a graduate of Springfield College and an army veteran.

General Re Ups Russell

Robert J. Russell has been appointed an assistant treasurer of General Re. He has been with the company since 1927. He received his master's degree in business administration from Brown in 1925.

Seattle Surety Men Elect

Surety Underwriters Assn. of Seattle has elected these new officers: Jack Griffin, Hartford Accident, president, succeeding Darol Fielding, Stuart G. Thompson-Elwell Co.; Don Rogers, McCollister & Co., vice-president, and Gerald L. Perry, Hartford Accident, reelected secretary.



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...to protect your client from any insurable loss; in fact, that is your duty and obligation. Any resentment of your persistence is likely to be mild compared to his reaction in the event of unforeseen catastrophe!

One of a series of Helpful Hints from Successful Agents. Watch this column for more.

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UNDER NEW FCIC SETUP

Local Agents Will Handle 10% of Sales Work After Jan. 1

WASHINGTON — Approximately 10% of the persons who will be selling federal crop insurance beginning Jan. 1 will be regular insurance agents, according to the estimate of C. F. Laidlaw, head of Federal Crop Insurance Corp. Ultimately, he agrees with agents' representatives, 25 to 30% of those selling federal crop coverage will be local agents. But it may be three years before the plan being inaugurated on his recommendation is "shaken down."

That program calls for the sale of crop coverage to be transferred Jan. 1 from production and marketing administration personnel to the new agents' setup. Already more than 600 persons have been named by FCIC to its field salesmen's force. Mr. Laidlaw estimates 750 may be necessary to handle the business in 147 counties in which FCIC programs operate. Of those already named 10% are local agents, he says.

Others are part of the old PMA personnel who have been selling federal crop cover for some time. Officials admit that commissions are low and there is plenty of work. FCIC policy has been, where good PMA men have been handling federal crop sales without engaging in politics, to assign them to continue that work under the new setup. These men are largely county farmers who have worked with the federal crop program.

A number of PMA people who have handled adjustment of FCIC claims have been named to carry on the adjustment job under the new program. But they will not make adjustments in their own counties, Mr. Laidlaw says. State managers of FCIC are largely handling selection of field agents. Announcements of their appointments will be made locally.

He expects his reorganization of FCIC will be completed shortly after the first of the year, including changes in personnel, introduction of economies, new plans and policies.

National Assn. of Insurance Agents several years ago had suggested that if there is to be government crop insurance, the local agents are the logical people to sell and service it, but Mr. Laidlaw said he was not familiar with that fact until after he had inaugurated his program.

Caledonian Names Gwynn State Agent at Philadelphia

The Caledonian-Netherlands group has appointed James S. Gwynn state agent at Philadelphia.

Mr. Gwynn was formerly state agent of Fire Association in Minnesota and has had long experience as a field man.

Ohio Parley at Jackson

An educational conference under the direction of Ohio Assn. of Insurance Agents was held at Jackson. Principal speaker was Frank R. Middaugh of Ohio Inspection Bureau, who explained recent changes in Ohio rules.

B. of T. Insurance Unit Elects

The insurance section of New York Board of Trade has reelected Ashby E. Bladen of Aetna-Century chairman of the executive committee; Dean M. Parker, Travelers, vice-chairman; Rodney E. Piersol, Alexander & Alexander,

representative of the directorate, and Harry F. Legg, secretary.

Floyd N. Dull, a past president of New York Board of Trade, and a member of the insurance section since organization in 1939, was elected an honorary life member.

Knight in So. Cal. Field

Great American has appointed Shirl E. Knight as special agent for inland marine in southern California. He will be associated with John H. Ainley, supervisor, and will make his headquarters at Los Angeles.

F. & D. Pays \$63,458 on

Three Indiana Bank Losses

INDIANAPOLIS—Three Indiana bank robbery losses within an eight-day period has cost Fidelity & Deposit \$63,458.

Latest loss the company suffered was the holdup of the East Side branch of the Old National Bank at Evansville. A claim of \$10,802 was paid the following day by Stewart E. Gordon, claims attorney for F. & D. at Indianapolis.

Fidelity & Deposit also suffered a \$23,000 loss at the Evansville bank last June 30 and police believe the same

lone bandit, armed with a sawed-off shotgun, staged both holdups.

Other recent losses covered by F.&D. were the \$41,060 holdup of the People's Trust Company branch at Jasonville and an \$11,596 robbery at the Cass County State Bank at Walton. All the losses were covered by bankers blanket bonds.

Eureka Casualty has declared a semi-annual dividend of 25 cents per share payable Dec. 16 to stock of record Dec. 4. The 1953 annual dividend has been increased from 40 cents to 50 cents per share.

MORE AGENTS

A company that depends upon the same number of agents to produce a satisfactory volume of business each year is not even standing still or holding its own. It is falling behind the procession.

Sound and certain growth comes only to the company that has a plan for increasing the number of agents representing it. An agency organization that is not revitalized by the addition of new blood tends to decline and deteriorate. So getting more agents is a must. It may not be put aside or postponed.

Now we do not contend that the problem of getting new agents is to be solved only by advertising for them in The National Underwriter. We do say, though, that such advertising does three important things in the way of agency building:

1. It gives the home office representative who has the responsibility for finding and appointing new agents the benefit of what is called in show business "advance billing."
2. It reaches a large, intelligent group of agency possibilities at a very low cost.
3. It makes a company and its facilities well and favorably known to the cream of the agency crop, all of whom pay the highest price (\$7 a year, and worth it) to read the leading weekly insurance newspaper of their business.

The NATIONAL UNDERWRITER

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*We extend a hearty hand clasp, our
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for Christmas and the coming year.*

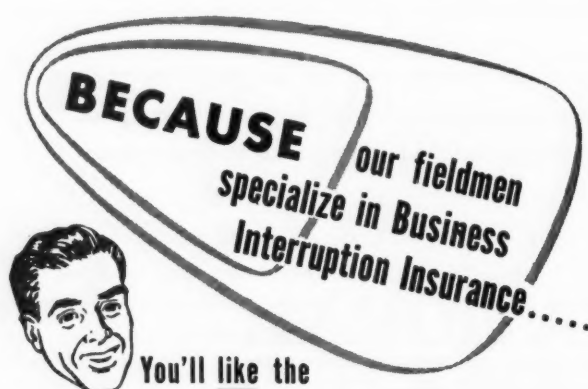
May your holiday season be happy.

Pearl Assurance Co. Ltd.

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11-Month Fire Loss Total Is 15% Above Figure for 1952

Estimated fire losses in the United States in November were \$68,064,000, National Board reports. This represents an increase of 4.5% over losses of \$65,129,000 reported for November, 1952, and a decrease of 0.7% from the \$68,551,000 total for October.

Losses for the first 11 months of 1953 total \$819,960,000, an increase of 15.3% over the same period of 1952, when they were \$710,826,000.

Losses by months for 1953 and the two preceding years were:

	1953	1952	1951
Jan.	\$ 76,659,000	\$ 74,155,000	\$ 68,686,000
Feb.	72,706,000	69,925,000	69,136,000
March	83,471,000	72,254,000	71,507,000
April	67,362,000	67,390,000	62,965,000
May	64,239,000	62,354,000	58,744,000
June	67,644,000	58,585,000	56,403,000
July	74,938,000	61,675,000	52,220,000
Aug.	107,713,000	56,462,000	55,416,000
Sept.	68,613,000	58,949,000	53,398,000
Oct.	68,551,000	63,958,000	54,660,000
Nov.	68,064,000	65,129,000	60,064,000
Total	\$819,960,000	\$710,826,000	\$663,199,000

Wisconsin Committee Heads, Special Auto Group Named

Thirteen standing committee chairmen and a special automobile insurance study committee have been named by President Don R. Morrissey of Wisconsin Assn. of Insurance Agents. The special committee will study the automobile insurance problem from every angle and make its recommendations to the directors for action some time after the first of 1954. Chairman of this committee is George A. Timm, Kenosha, also chairman of the board. Serving with him will be John H. Carney, Eau Claire, and Hughes McCoy, Madison.

The committee chairmen include: Finance, R. W. Peters, Thienville; local board and membership, John J. Batenburg, Racine; Milwaukee county membership, Ed Dunn, Milwaukee; legislation, Ben F. Fronk, Manitowoc; educational, Gustav E. Schwarm, Milwaukee; accident prevention, Paul Holden, Superior; fire safety, Frank Johnson, Madison; property insurance, George A. Timm, Kenosha; trade association contact, Harold Watson, Milwaukee; casualty insurance, Arthur Moss, Beloit; fidelity and surety, John H. Carney, Eau Claire; metropolitan and large lines agents, Matthew P. Zendzian, Milwaukee; rural and small lines agents, Arthur R. Setz, Waterloo; agency management, E. L. Rickard, Neenah.

Agents, Bar in Joint Meet

Edward Madinger of the Indiana department of motor vehicles, Indianapolis, spoke at a joint meeting at Peru, Ind., of Peru Assn. of Insurance Agents and Miami County Bar Assn., discussing the accident section of the financial responsibility law and the new point system for revoking drivers' licenses.

No. Cal. CPCU Officers

New officers of Northern California CPCU chapter are Cecil J. O'Donnell, Phoenix-Connecticut, president; Fred Anderson, Standard Accident, San Jose, vice-president; Douglas Temple, St. Paul group, San Francisco, secretary, and John McPherrin, Royal-Liverpool, treasurer.

New Mich. CPCU Officers

At the annual meeting of the Michigan CPCU chapter, these new officers were elected: President, Donald A. Lindow, assistant secretary Michigan Mutual Liability; vice-president, Ella-Rachel Lyons, E. B. Lyons agency, Detroit; secretary, Max E. Kerns, H. W.

Huttenlocher agency, Pontiac. New directors are Frank J. Gossinger, Byrnes-McCaffery, Detroit, and Maurice J. Pierce, executive secretary of Standard Accident.

Boston CPCU Elects Smith

Herbert Smith, casualty department manager of Jordan, Read & Co., was elected president of Boston CPCU chapter at its recent meeting. Lloyd A. Murray, Jr., was named vice-president and John R. Downie, secretary treasurer.

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know when he is
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It is our earnest hope that the deep significance of Christ's Birthday will bring tranquility and happiness to all.

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Threaten Company Subpoena as WC Hearing, Stressing Costs, Operation, Ends in N.Y.

Mary Donlon, chairman of New York state workmen's compensation board, seemed to be the speaker whom others either rallied around or opposed, at a two-day hearing on WC conducted in New York city by a Moreland act commission. Miss Donlon was one of several state officials to appear before Commissioner Archie O. Dawson, who was appointed last Sept. 17 by Gov. Dewey to study the cost and administration of workmen's compensation.

Commissioner Dawson, at the conclusion of the hearing, announced that insurance companies writing WC in New York state may be subpoenaed to appear before the commission, following a blanket rejection of an invitation to come forward and present findings before the investigators. Mr. Dawson said he personally had heard complaints from men in the business that the compensation board was not handling cases properly and was conducting a "give-away program", but no company representatives had appeared.

The answer from insurance people invited to the hearing, according to Mr. Dawson, was "No, no, the insurance companies do not want to get into this thing."

Miss Donlon compared present WC laws to a 40-year-old automobile which had been garaged periodically for repairs and whose tires had been patched after each blow-out. She indicated that what is needed is a brand new car with brand new tires, pointing to the additional cost as well as the additional

headache which is incurred in attempting to maintain the ancient vehicle in working order.

One of the greatest criticisms of the plan as it is in effect in New York state today, she said, is the small percentage of the premium dollar various studies have disclosed go to the employee. "Opinions differ," she said, "but it seems reasonably certain that they receive, on average, not more than 40 cents." In fact, she added, one study showed that only 23 cents in the premium dollar goes to the workman and his family.

"Medical care takes perhaps another 15 cents. The balance goes into underwriting and acquisition costs, carrier claims, administration and overhead, taxes and board assessments. That workers get, out of the dollars their employers pay, too little for their families to live on in modest decency at present prices for food, rent, clothing and other necessities, goes without saying."

Her conclusions were challenged in part by Henry Sayer, general manager of Compensation Insurance Rating Board. Conceding that the worker does not receive every cent of the premium dollar to which he is entitled, Mr. Sayer said that it cannot be demonstrated "that the expense provision charged in the rate constitutes 40% of the total premium collected."

"Manual rates are subject to modification under the experience rating plan; premiums in excess of \$1,000 an-

nual are subject to premium discount which is graduated by size of risk; dividends are paid by mutual companies and by participating stock companies," he said in establishing his rejoinder.

"A special call to all companies, sent out by me for calendar year 1949, gave us definite facts on the ultimate amounts of receipts and payments and company retentions. It was shown that the actual premium charged was only 83.4% of standard; that from that had to be paid taxes to the state, special assessments and all losses and other expenses.

"After these figures were all adjusted," he continued, "it was shown that the losses provided in the rates actually were 67% and the losses actually incurred were 72%, while the actual amounts provided for all expenses were 33% and the expenses actually incurred were 33%."

As for the charges arising in some circles that most of the balance of the insurance premium dollar goes to the companies, Mr. Sayer noted his questionnaire had revealed that company retention was a profit provision of 1.5% which he said was the "reasonable" profit factor required by statute and approved by the New York superintendent.

"I do not think anyone can say that, on the amount of capital put at risk in the writing of workmen's compensation, such a provision is unreasonable," he declared. "In the face of the tremendous losses of the last few years the superintendent this year approved a profit provision of 2.5%. The provision in the rate is for 'profit or contingencies.' The amount so allowed does not insure the making of such a profit or, for that matter, any profit."

Miss Donlon outlined "three or four only of the major points it would be wise to check when we look for a newer and more modern and less inefficient workmen's compensation system." First, because of its impact on costs, "which take a big bite out of the premium dollar," the way claims are administered must be considered. She spoke of the "decentralization of responsibility" which allows administration to be exercised by 1,500 adminis-

(CONTINUED ON PAGE 18)



L. J. Schweer (left) retiring as superintendent of the Cincinnati office of Ohio Inspection Bureau after 60 years in fire rate engineering with P. E. Seidelmann, his successor.

**FIRE and
ALLIED
LINES**

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Prominent Figures at Kansas City Dinner



Views at recent annual meeting of Insurance Agents Assn. of Kansas City. Above: 1954 officers: F. Vernon Griffith, Jr., executive committeeman; Robert H. Oppenheimer, treasurer; Frank McGee, president; James A. Spellman, Jr., vice-president; H. A. Dick Sloan, and Vincent M. Hagerty, executive committeemen.

Below, P. H. Hawes, retiring president; Fred V. Griffith, past president, and James B. Wallace being awarded a life membership and being presented a gold membership card. This meeting and presentation was in commemoration of the 40th anniversary of the reorganization of the association in 1913. Mr. Wallace is the sole surviving member of the reorganization committee and was its chairman. His son, James Wallace, was at one time on the editor-

ial staff of THE NATIONAL UNDERWRITER and is now in air force work at Dayton. Prior to 1913 all fire rates in Kansas City were promulgated by the old Fetter Rating Bureau. In that year the rating statutes were enacted and Missouri Inspection Bureau was created. The agents' association prior to 1913 was operated in a manner very similar to the old Chicago Board, during the days when it fabricated rates. The Kansas City board in those days was known as Kansas City Fire Underwriters Assn.

Mr. Wallace is now 84. He at one time was an important figure in NAIA and had much to do with the resurrecting that organization from the debris when its headquarters was in Boston. John M. Nuckols was re-appointed as executive secretary.

Hike State Farm F. & C. Capital to \$1,500,000

Capital of State Farm Fire & Casualty, Bloomington, Ill., has been increased to \$1,500,000 by the sale of 50,000 additional shares of stock, par value \$10, at \$30 per share. The new stock was purchased by the parent State Farm Mutual Automobile, which owns all of the fire company's outstanding shares.

The new capital funds were added to keep pace with the company's growing premium volume, according to T. F. Campbell, president. Direct premiums in 1953 will exceed \$10 million, Mr. Campbell estimated, compared with \$7,531,000 in 1952.

The transaction adds \$500,000 to capital of State Farm F. & C. and \$1 million to surplus. Surplus to policyholders now exceeds \$4 million.

Statisticians Elect

At the annual meeting of Assn. of Casualty Accountants and Statisticians William H. Tallau of Commercial was elected president, H. Randall Pease of Travelers vice-president, George D. Moore secretary, and John C. Barrows of American Surety treasurer. Executive committeemen are Peter H. May of

Maryland Casualty, Frank A. Eger of Indemnity of North America, John C. Montgomery of Bankers Indemnity, and A. W. Morgan of Glens Falls Indemnity.

The association membership coast to coast now includes 98 companies represented by 217 individuals comprising the chief accounting and statistical officers and department heads.

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Losses paid exceed Three Hundred Fifty Million Dollars

F. & D. 33 1/3% Stock Dividend to Raise Capital to \$4 Million

Fidelity & Deposit has declared a 33 1/3% stock dividend which will produce a capital of \$4 million. The record date on this is March 2. F. & D. stock has been strong recently and on the day that this became known it moved up to 100 bid. There has also been declared an extra cash dividend of 25 cents in addition to the quarterly of 75 cents. Both are payable Jan. 30 to stock of record Jan. 14.

Newcomers in Other Lines Good Field for New Agents

Newcomers to the insurance business can profitably look to newcomers in other businesses in developing successful agencies, Daniel E. Fitzsimons, who represents Aetna Casualty at New Haven, declared in a talk at the banquet concluding the 138th session of the Aetna Casualty sales course.

Mr. Fitzsimons, who entered the insurance business three years ago after graduating from Holy Cross College, pointed out that developing accounts among new businesses enables an agency to grow as clients' businesses expand. He stressed the importance of developing commercial accounts as well as personal insurance business, and urged the graduates to work co-operatively with the company's field men in using Aetna's commercial survey plan.

The class was led by Robert W. Penner of Lincoln, Neb. Other blue ribbon awards for high scholastic standing went to Joseph W. Yoder, Moline, Ill.; Victor E. Arning, Jr., Knoxville, Tenn.; Ernest J. Parry, Jr., Spring Valley, Minn.; Crawford W. Cline, East Aurora, N. Y., and Paul G. Bassette, Arlington, Va. Gold ribbon awards for demonstrating outstanding skill in soliciting techniques were won by Mr. Arning, Mr. Parry and Frank P. Cantwell, Morristown, Tenn.

Marine Definition in Cal.

Commissioner Maloney has put into effect in California the new nationwide marine insurance definition, effective Jan. 1. Only changes were to have some nomenclature conform with California law and to eliminate the provisions which made the new definition binding on companies without their agreement or consent and the plan for an advisory committee on interpretation as suggested in the NAIC resolution. The latter conflicts with California insurance laws, the commissioner says.

New Kan. Auto Insurer

Bancar Ins. Co. of Hutchinson, Kan., has been chartered there to write auto physical damage. The company has capital of \$100,000 and surplus of \$100,000. Vernon Hinkle is president; W. T. Haury is vice-president and treasurer, and Ralph Wesley is secretary. Messrs. Hinkle and Haury are officers of Bankers Investment Co. of Hutchinson. Mr. Wesley is insurance department manager of Bankers Investment.

Hummel Heard at Sandusky

Neil Hummel of the Toledo office of Ohio Inspection Bureau addressed Erie County Insurance Board at Sandusky on recent changes in fire insurance coverage.

Preferred of Michigan has filed the non-bureau private passenger BI-PD classifications and rates in the state of Washington.

"I'm making more money than ever—thanks to Prudential's Life Department Plan"

writes General Insurance Broker Fred G. Buchhold of Louisville, Kentucky

"I placed a lot of Life with Prudential this past year—most of it written on regular clients I've served for years. Prudential makes it simple and profitable for Brokers to write LIFE. I think every wide-awake general insurance man should take advantage of Prudential's helpful Life Department Plan."

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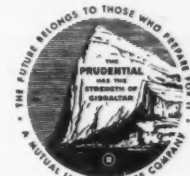
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Texas Promotion Brings Trouble

Hans Olaf Thomsen, who has gotten into trouble in Texas in connection with the promotion of a new insurance company, for the past few years has been representing U. S. Epperson, the reciprocal people of Kansas City, in writing fire insurance on sawmills in the southwest. This information was furnished upon inquiry from THE NATIONAL UNDERWRITER by James H. Moore, district attorney at Lufkin, Tex.

Shortly after the first of this year he entered into a contract with Suttles Bros. at Houston, to organize a fire insurance company and according to the contract the total capitalization was to be \$100,000. It is said he began the organization of the company and did very well for a while.

It is alleged that in March he called on several business men in the Lufkin area with whom he had done fire insurance business and represented to them that he had authority to sell an interest in the fire insurance company which he was organizing when, as a matter of fact, according to the district attorney, he had no authority to sell any interest in the proposed company. He sold about \$40,000 interest in the proposed company and he is charged with converting the funds to his own use.

The name of the underwriting organization that was to act as attorneys in fact for the agency was Southern Underwriters, and the name of the company to be formed was Lumbermens Ins. Co. There are now pending in the county at Lufkin four complaints of theft by pretext against Thomsen.

According to Mr. Moore there will be two complaints filed against him in Cherokee county for theft by pretext. These cases, according to Mr. Moore, arise out of the sale of two insurance policies after he represented that Lumbermens Ins. Co. had been formed and that he was authorized to sell insurance. The company was never formed, according to Mr. Moore, and never received a license in Texas, and Thomsen was not an authorized agent in Texas. Mr. Moore said it is his understanding that he had 100 policies printed in Chicago representing that Lumbermens Ins. Co. was in existence and

he was authorized to sell such policies. On the two policies he sold he collected about \$900 in premiums, according to Mr. Moore.

\$400,000 Sprinkler Leak Loss in Warehouse Full of Xmas Merchandise

A sprinkler leakage loss of approximately \$400,000, practically 100% to insurance, was caused at the warehouse and distributing station of L. Bamberger & Co., Bloomfield, N.J. when an 8-inch pipe under the building broke over the week end.

Water running out of the building was noticed Sunday morning by a couple of boys, who notified police. It was some time, several hours, before the sprinkler valves were turned off, and just before Christmas the building was heavily stocked with merchandise.

The loss will fall about \$300,000 on stock and \$100,000 on building. There was no sprinkler leakage U. & O. One of the chief building items will be the hardwood floors, which, laid on reinforced concrete, warped after being soaked in water and will have to be generally relaid.

C. R. Hartwell Is Retiring After 26 Years With F.I.A.

C. H. Hartwell, field manager in the southern Ohio territory for Factory Assn., is retiring Dec. 31 after an insurance experience that dates back to 1906.

Mr. Hartwell started his career with Sanborn Map Co. after graduation from Norwich university of Northfield, Vt. In 1909 he went with the Factory Mutuals at Philadelphia as a surveyor and traveled in 36 states and several provinces of Canada. Then in 1917 Mr. Hartwell joined Underwriters Assn. of New York State, the old rating organization, at Syracuse, in the sprinklered risk division. Three years later he went with Automobile of Hartford as a production engineer, and had service at the home office, Philadelphia, and the southeastern states and later at Chicago. He joined Factory Insurance Assn. in 1927, and traveled in Ohio, West Virginia and Tennessee until Harry Grider, the retired western manager, was named field manager at Cleveland and the state was split. Mr. Hartwell has been with F.I.A. for 26 years.

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COMMENTS - TRENDS - OBSERVATIONS

Study Shows Administration Expense, Doubtful Claims Hike WC Costs in N. Y.

NEW YORK—Overwhelming costs of doubtful claims and the expense involved in the administration of the workmen's compensation law contribute importantly to the steadily mounting bill, now more than \$300 million a year, that New York business has to pay for WC, Commerce & Industry Assn. of New York reported in announcing publication of a comprehensive review and analysis of *Forces That Spiral Workmen's Compensation Costs*.

The study appeared on the day that the Moreland act commission named by Gov. Dewey to study WC costs in the state as compared with those elsewhere opened hearings on the subject. The present book and two earlier studies on the subject have been furnished the commission.

The Commerce & Industry book of 110 pages results from 6-months research for the association, which is making a continuing long range study of the problem. It was prepared by Dr. Joseph S. Keiper, associate professor of economics at New York University graduate school of business, who is economic consultant for the special committee on WC of the association's social security committee.

Over the past decade the trend of disabling injuries in New York is not only higher than that of the U. S. but, more important, is sharply contrary to that trend in certain types, he found. With respect to all disabilities, while national experience in the 10-year period has shown a drop of about 8%, New York's index has gone up about 17%. Since this state contributes about one-tenth of the nation's total labor force, the discrepancy would be even greater if New York were eliminated from the national figure.

Another point of contrast between records of New York and the nation as a whole shows that in 1951, New York, with about 10% of the total labor force, suffered less than 5% of the nation's industrial fatalities. However, it was responsible for half of the nation's permanent partial injury cases and one-fifth of the country's permanent total cases. On temporary disabilities, its record was less than 4% of the total.

There is a steady increase in the importance of permanent total and permanent partial compensation awards as a percentage of total payments. From 1941 to 1949 a persistent rise took place in these two categories, the permanent total share more than doubling over that period, going from 4% to over 10%, and the permanent partial share creeping steadily from 54% to over 58%.

Injuries to the trunk—defying safety programs, improvements in medical

science, and a shorter work week—have forged ahead in 20 years from a poor third to a point where today they come close to ranking first in number of compensated injuries for this category of disability.

On occupational diseases, comparison of New York experience is made with Wisconsin, "a state always cited for its liberal attitude." While such cases in New York were about the same in number in 1951 as in 1945, Wisconsin's declined slightly and with some persistence. The average cost of New York cases increased almost fivefold with no deviation in trend; Wisconsin's 1951 average cost per case went up by no more than 25%.

Under the chapter heading, *Hearings—The Assembly Line Method*, these significant comments are made: "The hearing is octopus-like; it reaches into every aspect, affects and shapes every operation in the New York system. The number of hearings in ten years has increased from 366,237 in 1943 to 564,829 in 1952, a gain of 54%. It is true that accidents reported and claims indexed have also increased. However, the number of hearings per closed case is increasing and there is no fluctuation in total hearings—the direction is always upward."

On the average there is almost one hearing held for each 10 workers employed in New York state. Within another decade, keeping in mind the type of cases which are rapidly gaining momentum (the controversial case where hearings can easily number eight or ten per case), the fantastic

number of hearings that can develop is anyone's guess.

At the hearings, while the percentage of total cases involving professional representation was only 3%, there is evidence of a substantial relative increase in the number of cases where the worker has hired representation over recent years. Use of representation jumped 50% from 1945 to 1949, during which period the average dollar award in non-fee cases rose from \$310 to \$473, or more than 50%. At the same time, legal-fee case awards rose from a \$1,472 to a \$2,417 average, or 64%. The legal-fee cases tend to average five times the awards made in non-fee cases.

Disturbing trends have been gathering momentum for many years, Dr. Keiper concludes. These find their roots deep in the law, its interpretation, and the techniques and resulting attitudes which spawn these forces. The almost universal tendency to exploit any insurance system unfortunately must be taken for granted. The critical question is one of degree. The tolerance of this system to absorb the cost of abuses is lower today simply because of the intensification of these forces over the past several years. The indicators suggest a more rapid spiraling ahead.

Indicators are numerous. The experience of New York is contrary to that of the nation and has even veered steadily from the path taken in its early history. There has been an epidemic of permanent partial and permanent claims that has been smoldering for years and now threatens to get out of control. There has been a wave of back cases due primarily to

(CONTINUED ON THE FOLLOWING PAGE)

Continental Companies' Employees Donate 4,000 Toys to Orphan Children

Employees of Continental Casualty and Continental Assurance were responsible for the distribution of 4,000 Christmas toys to orphans in Chicago and in the 29 cities in which Continental has branch offices. The donations work out to one per employee and continue a gesture that was begun when it was



Miss Margaret Hinkamp displaying some of the Humpty-Dumpty's made by her late mother that were part of the 4,000 toys contributed in the Continental Casualty and Continental Assurance toy drive and distributed during the holiday season to children in Chicago orphanages.

decided during the war to give gifts to the families of Continental men in the service.

The Christmas collection at the home office is regarded as the largest corporate effort of its kind in Chicago. Miss Margaret Hinkamp of the home office staff has been in charge of all of the campaigns.

At the beginning of December, the conference room at Continental's head office was completely taken over with a display of toys, games, etc.

Collections Are Solved

Keating Insurance, Inc., an agency at Claremont, N. H., was having trouble with customers who paid no attention to its coaxing but courteous collection letters. The firm solved the problem when it adopted this last resort letter:

"If we do not receive your check, or your explanation as to why you cannot pay the enclosed bill by next Wednesday, what we will be forced to do next will surprise you."

A large percentage of delinquent accounts now respond promptly with either a check or an explanation.

"One-Write" Auto Renewal

American Surety has developed a new "one-write" certificate for use in renewing motor vehicle policies. This policy combines attractiveness with simplicity and economy. A number of producers collaborated in designing this new certificate.



"THIS MUST BE FROM AN INSURANCE MAN,----- HE WANTS A ROOM WITH BATH AND/OR SHOWER."

"I WONDER IF I LOOK AS PRETTY
AS MOMMY DOES IN HER NEW
FUR COAT?"



Yes, Cam, your mother is pretty
... and wise! For she listened to
her Camden agent and insured
her fur coat.

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Pa., Ore. Get New Classification Plan

The new automobile classification plan of National Bureau and Mutual Insurance Rating Bureau has been given approval in Pennsylvania and Oregon.

The new Philadelphia rates are class 1A \$64, 1B \$75, 1C \$90, as contrasted with a \$66 rate for the old class 1. The class 2 rate of \$109 now is 2A, \$117, 2B \$132, 2C \$160. Class 3 goes from \$95 to \$106.

In Pittsburgh, the class 1 rate of \$51 becomes 1A \$49, 1B \$57, 1C \$69. The 2C rate of \$84 is now 2A \$89, 2B \$102, 2C \$122. The \$73 class 3 rate is changed to \$81.

In Scranton, Carbondale and vicinity, the class 1 rate of \$48 becomes 1A \$44, 1B \$51, 1C \$61. The class 2 rate of \$78 is changed to 2A \$79, 2B \$90, 2C \$109. Class 3 increases from \$68 to \$72. For Reading and vicinity the \$30 class 1 rate becomes 1A \$28, 1B \$33, 1C \$40. Class 2 rates which were \$49 now are 2A \$51, 2B \$59, 2C \$71, and class 3 goes from \$43 to \$47. For Harrisburg and Lehigh and Northampton counties, the class 1 rate of \$30 becomes 1A \$28, 1B \$33, 1C \$40. Class 2 rates of \$49 are changed to 2A \$51, 2B \$59, 2C \$71. Class 3 goes from \$43 to \$47.

The new Oregon rates for Portland and vicinity are: 1A \$47, 1B \$54, 1C \$67. The old class 1 rate was \$54. The class 2 rate of \$89 is changed to 2A \$86, 2B \$98, 2C \$117, while class 3 stays the same at \$78.

For Astoria, Eugene, Klamath Falls and Salem, the class 1 rate of \$44 becomes 1A \$38, 1B \$41, 1C \$52. The \$72 class 2 rate changes to 2A \$68, 2B \$78, 2C \$94, while class 3 stays at \$62.

The National Bureau has Pennsylvania divided into 18 rating territories and Oregon separated into six territories.

With the approval of the National Bureau plan in Oregon, Oregon Automobile has announced it will file new rates to bring its schedule in line with that of Safeco, the General of Seattle affiliate, but Oregon Auto will continue to pay 25% commission.

Oregon Auto is asking its agents to supply the company with a general fire and casualty business as well as automobile in the hope that this rate-commission potential will be equalled out. In 1952, Oregon Auto wrote \$1,432,930 of BI premiums and \$922,862 of PDL business.

No Implied Boycott in Garage Plan: Landresse

Exception to the description of the available garage plan as something that "could be a back-door boycott of non-cooperators," by Howard D. Heath of Northwestern Mutual Fire, addressing American Mutual Alliance recently, is voiced by C. G. Landresse, assistant Pacific Coast manager of London Assurance. Mr. Landresse has sent THE NATIONAL UNDERWRITER a copy of a letter he wrote Mr. Heath in which he explains that the available garage plan has been operating on the Pacific Coast since 1947 and there is nothing in its operation requiring that repair work be sent to member garages.

All that is asked, Mr. Landresse says, is that the plan members be given the opportunity to bid on the repair work while the non-members are encouraged to bid also. From then on it is a matter for determination on the part of the adjuster as to where the work is placed.

Individual garages do not sponsor

adjusters' schools, this is an activity of available garage plans and has been since 1948. The instructors are shop foremen or service managers accredited by and operating under the sanction of either the local board of education or the state board. There is no cost to the schools or the companies; the instructors are paid by the boards of education and there is no tuition fee.

Study Spotlights High Expenses of WC in N. Y.

(CONTINUED FROM PRECEDING PAGE) strains in the temporary disability category that has reached alarming proportions. The proportion of claims indexed to accidents has moved ahead. The effect of this will be found in the increasing proportion of serious disability cases to the total. The heart case of today becomes symptomatic of the gradually successful attempt to confuse the hazards of working with the risk inherent in living.

The composition of age groups according to kind of disability, the trend of reopened cases, and the increasing burden of lump sum adjustments suggest a perversion of the objectives of workmen's compensation.

What is the function of a referee? Is his position in the middle of the ring or in one corner? Why are not referees required in all private A&H insurance plans? What is expected of the steady stream of witnesses who appear? What is expected of the doctors called by the worker and insurer to treat or testify? What is the role of the legal representative of each—to agree or debate? Do hearings clarify the facts? Hearings breed hearings.

If WC system is to be measured by the efficiency with which it classifies millions of units of mail per year, conducts a half million hearings, and brings persistent pressure on carriers to make prompt payments, then commendation is in order. If the New York system is analyzed on the basis of effecting prompt use of modern medical care and procedures of rehabilitation, the record appears dubious. The New York system can't be decorated for its capacity to distinguish between honest injury and exaggerated claim. There is reason to believe that the latter receives more attention. If the operation is to be analyzed from the standpoint of introducing simple, non-legal procedures in the settlement of claims, the record is increasingly dismal.

Historically, in WC and more recently with its nonoccupational disability law, New York pioneered in social legislation. Almost 40 years of experience in New York points to the necessity of a constructive middle ground with respect to presumptions, controls over medical care, and the hearing system. Research and imagination by government, business and labor can solve the problem without question. All of these groups are dissatisfied at present and with good reason.

Auto Deviation Increased

Government Employees Ins. Co. has filed a further rate reduction for auto BI-PD in the state of Washington. Heretofore, the company deviated 20% from bureau rates. The deviation has now been increased to 22½%.

Northwest Casualty, stock affiliate of Northwestern Mutual Fire, has filed a six months auto BI-PD policy on a pro rata basis. According to J. W. Gowdy, vice-president, the filing involves nothing more than a six months term provision at the company's prevailing rates.

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MONTANA CONTROVERSY

Court to Decide on Licensing of Sask. Government Insurer

The question of whether Saskatchewan Guarantee & Fidelity of Regina should be licensed in Montana will be decided in court, in a suit brought by Montana Assn. of Insurance Agents. A seven-man committee appointed by Commissioner Holmes, last week, held one meeting and concluded that no satisfactory agreement could be reached at the table.

Saskatchewan Guarantee was licensed in Montana Nov. 14, but after a storm of objections from the agents, Holmes restricted the company from doing business until the issue could be ironed out.

At a department hearing last week, the company was represented by Vernon Hoven, an attorney of Plentywood, and Montana Assn. of Insurance Agents was represented by the Helena law firm of Loble & Loble.

Lester Loble introduced newspaper clippings purporting to show that a majority of Saskatchewan Guarantee's stock is owned by the provincial government, and he and Henry Loble said "it offends the sense of justice" that a government corporation should be allowed to compete in Montana with businesses having only the resources they get from profits or stockholders. This theory has been recognized in Montana since 1889, they said, under the constitution, which makes clear that the state cannot own or be a shareholder in any quasi-public or private business. The province of Saskatchewan is in the same category as a state, they said.

The agents said it is the duty of Commissioner Holmes to determine whether the Saskatchewan Guarantee is government-owned, but J. D. Kelley, deputy commissioner, said the Montana law does not give the department authority to check the registry of a company. The charter filed by Saskatchewan Guarantee says it is a private company.

Mr. Hoven said the company has fulfilled all requirements of the law and went on to note that Montana appar-

ently sells hail insurance in competition with private companies. Under the theory of the agents, he said, the only company that could be licensed in Montana would be those organized and incorporated under the state law.

The committee appointed by Holmes to try to iron this matter out consisted of A. H. Olsen, Montana attorney general; Mr. Hoven, Mr. Kelley of the department; the Lobles, and President John Liggett, Roundup, Vice-president C. J. Carroll, Billings, and State Director Everett North, Billings, of Montana Assn. of Insurance Agents.

Phelps, Royal Exchange General Mgr., Retiring

A. E. Phelps, general manager and secretary of Royal Exchange, London head office, who has been with the company for more than 50 years, is retiring Dec. 31. Appointed to succeed him is H. A. Walters, formerly an assistant general manager.

S. Beresford Shaw, also an assistant general manager, continues in that post, and H. R. Roberts, an assistant manager, has been named an assistant general manager.

Marine Definition O.K. in Mo. With Minor Variations

The nation wide marine definition has been adopted in Missouri with an effective date of Jan. 15.

Superintendent Leggett says his department is in accord with the plan for a committee on interpretation of the nation wide definition as provided in the NAIC resolution of June 12, 1953.

In Missouri, there are eight modifications of the definition, one on the PPF, five on policies covering individuals or generally, and two new items—warehousemen's legal liability and outdoor theater equipment floaters on personal property only.

Heads Casualty Managers

Casualty Managers Assn. of New York City has elected Stephen Bedell, Maryland Casualty, chairman; Peter Barr, Ocean Accident, vice-chairman; Herbert J. Just, Maryland Casualty, secretary, and C. J. Carskaddon, Great American, new member of the executive committee.

E. C. Richard of American becomes chairman of the brokers' contact committee, B. F. Gates of Hartford Accident, accident committee, and H. D. Schmedes of American Surety, central bureau committee.

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A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

Threaten Subpoena As WC Hearings End in N. Y.

(CONTINUED FROM PAGE 11)

trators. "Is such decentralization of administration efficient and economical?" she asked. "I think the answer must be in the negative. Is some centralization of claims administration possible without sacrificing the values of free enterprise underwriting? I think the answer is yes, that it is possible to achieve both economy and efficiency through centralized claims administration, without losing the advantage of risk spreading through insurance and self-insurance."

On this point, too, another speaker chimed in. He was Henry Mayer, legal and legislative consultant of the New York state CIO council, who said that during the 40 years that workmen's compensation has operated, wages have risen 551% and benefits only 60%.

He called for establishment of an exclusive state fund which would "cut \$90 million fat" out of WC costs, and urged prompt enlargement of rehabilitation services. He said that expenses of the larger insurance companies now represent 10% or more of total pre-

miums while in the case of the state insurance fund, less than 1% of total premiums has gone to expenses.

Other proposals made by Mr. Mayer, in his capacity as CIO spokesman, included: elimination of the statutory maximum benefit from the workmen's compensation act; basing of awards on percentage of earnings; consideration leading to a percentage higher than the 66%, which he said was the original intent of the act; elimination of the waiting period of seven days; retention of provisions limiting court review to questions of law; payment for disfiguring injuries; increase in benefits to permanently disabled, now being paid under obsolete rates, and greater emphasis on accident prevention and rehabilitation.

Miss Donlon, continuing, pointed to what she called "the divorce the carriers have from the responsibility for the quality of medical care for which their insureds pay." For nearly 20 years, she said, this responsibility has been left to the workers through the "free choice" system, "save only that the carriers pay the medical bills."

Calling governmental supervisory

G.A.B. Announces Several Shifts in Coast Territory

William C. Prince, who has been manager of General Adjustment Bureau at Flagstaff, Ariz., has been appointed manager at San Luis Obispo, Cal., replacing E. K. Francis, resigned. Mr. Prince has been in the adjusting field since 1942 and manager at Flagstaff for two years. He is succeeded at Flagstaff by Lloyd B. Harrell, who has been with that office since 1950.

E. B. Cooley has been appointed superintendent at Phoenix, Ariz., to succeed J. A. MacCallum, who resigned to take another position. Mr. Cooley, who joined the bureau in 1949, has been manager at Douglas, Ariz. He will be succeeded there by W. H. Van Deman, formerly manager at Tucson, who is a graduate of University of Arizona and for several years was with General Exchange.

controls "uncertain and inadequate," she said "accepting 'free choice' as the desirable basis for such a program of compulsory medical care insurance, it seems obvious that both the welfare of the workers and the costs of employers call for strengthening the

right of the board to decide, on competent professional advice, whether or not particular medical care is in the interest of a claimant's recovery and early rehabilitation to work status."

Remarks made by Dr. Joseph S. Keiper, New York University graduate school of business, in which he called the present WC set-up "a classic example of the 20th century confusion between laxity and liberality", agreed substantially with Miss Donlon's observations.

Sayre & Toso Advance Two

Alvin L. Reese and John W. O'Mara have been appointed assistant managers respectively of the Los Angeles and Seattle offices of Sayre & Toso and W. B. Brandt & Co.

Mr. Reese, a graduate of University of Arizona, entered insurance in 1939. After army service he joined Sayre & Toso in 1946 as an underwriter at Los Angeles. Mr. O'Mara, a graduate of University of San Francisco, started in insurance at San Francisco in 1938. He joined Sayre & Toso in 1941. After his return from army service he was an underwriter and special agent at San Francisco and was transferred to Seattle in 1948.

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Ben D. Cooke (center), managing director of Agency Managers Limited of New York and of B. D. Cooke & Partners, Ltd., of London, was the recipient on his pre-Christmas U.S. visit of a handsome model trans-Atlantic four-engine clipper commemorating his 50th Atlantic crossing by airplane.



The model plane, inscribed in honor of the occasion, was the gift of Pan-American World Airways on whose luxury airliner, the President, Mr. Cooke usually makes his crossings. It was presented by Walton H. Jones of Pan-American at a "Half Century Mark" breakfast at Idlewild airport, New York.

Mrs. Cooke, wearing the orchid corsage presented by Pan-American to women passengers of the President, accompanied her husband on this visit.

Cal. Agents Want a Change in Bureau's Auto Rating Plan

Directors of California Assn. of Insurance Agents, expressing dissatisfaction with the National Bureau classification plan, have asked State Director Robert Battles of Los Angeles to take the matter up with the executive committee of NAIA and try to get it on the agenda for the automobile committee's next conference with the National Bureau. California agents expressed the hope that such conferences will develop a more "efficient, equitable plan for rating private passenger automobiles."

Mr. Battles was also asked to request that the National Bureau cease putting out press releases on rate changes in the automobile field, saying that

these releases only confuse the public and the newspapers, resulting in serious public relations problems, and it is the board's "considered opinion that the press release practice should be halted before further damage is done to be industry's reputation with the insurance public."

The agents decided to establish a permanent headquarters at Sacramento and have a representative on hand at all times during the California legislative sessions.

S. F. Claim Men Elect

Casualty & Surety Claims Assn. of San Francisco has elected Thomas Atchison, St. Paul F. & M., as the new president. He succeeds Jud Kirby of Pacific Indemnity. The new vice-president is Monroe Seibold, General Accident, and the secretary-treasurer is E. C. Goodenough of Fireman's Fund Indemnity.

St. Paul School Bid Upheld

ST. PAUL—The bid of \$96,402 as a five year premium on \$22,354,085 St. Paul school insurance conforms to the law and is valid, Judge Pearson ruled in district court. Charles P. McCarty, whose agency has held the insurance the past few years, attacked the bid accepted by the school board, contending that some of the rates quoted were lower than permitted and constituted a rebate.

El Paso Agents Elect

El Paso (Tex.) Assn. of Insurance Agents has elected a new board of directors which will name a president, two vice-presidents and secretary-treasurer from among its membership.

Named on the board are Don Rathweg, Sam Rodehaver, E. T. Skipworth, Harry Elliot, C. Burt Dycus, Warren Brown and Dexter Mapel, Jr. Mr. Brown has been president, Mr. Elliott vice-president and Mr. Dycus secretary.

Eaton County Agents Elect

J. Riley Oles, Grand Ledge, Mich., has been elected president of Eaton County Assn. of Insurance Agents. Vice-president is William Powers, Charlotte; secretary, Michael Montie, Eaton Rapids.

Insurance Women of New York at its annual Christmas party in the dining and reception rooms of Royal had of about 90 members and guests. The organization will make a generous contribution to the New York Times hundred neediest cases and to the radio station WOR Christmas fund. Irene M. Peterson of Hartford Fire is chairman of the charities committee.



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EDITORIAL COMMENT

An Object Lesson for Speechmakers

With precisely the opposite aim of the farmer who hung an ostrich egg in the hen-house, we would like to quote here in its entirety the speech made by Mrs. Dwight W. Morrow at the dedication of the cornerstone of the new wing of the Englewood hospital in New Jersey. Said Mrs. Morrow:

"Never take your hospital for granted, because people you never knew have broken their hearts to get it for you."

We are not suggesting that talks be-

fore insurance gatherings be condensed to a single sentence but there is a useful lesson for nearly all speakers in the brevity of Mrs. Morrow's address. She could easily have made an extensive talk on the theme set forth in her single sentence and could have been pardoned for weaving in several other themes. But we'll bet that more people will remember longer what she said in that one sentence than would have had the patience to distill its sentiment from a longer dissertation.

The Kind of Teamwork PR Requires

A study of the report of the public relations committee of Eastern Underwriters Assn. reveals two interesting points. One is that EUA has had a PR committee 10 years, which means that for only a comparatively short time have some of the companies in the business sought by conscious and systematic means to create a good impression and extend it in the interests of a business of vast economic size and importance.

The other point is that only within the past two years has the segment of the business represented by EUA insurers and their field men moved to effect a partnership with local agents in the PR field, in an organized, ambitious way. As J. R. Robinson, deputy U. S. manager of Phoenix Assurance, commented as chairman of the PR committee at the EUA annual meeting, "a new and important ally now has joined the ranks and we can look forward to even greater success as the influence of this new group is brought into action." That ally is the local agent, operating in the PR field through state and local associations.

The test program of PR conducted for the past two years in cooperation with Pennsylvania Assn. of Insurance Agents, with its 38 local boards and four field men's associations in that state, now has been completed. That program was under the able guidance of Stanley Cowman of Philadelphia. Currently more than 25 different PR projects are being conducted through Pennsylvania local boards, including highway safety with driver educational programs for high school students and adults, varied educational undertakings, newspaper and radio advertising, talks and films before civic groups, etc.

The results in Pennsylvania were so excellent that H. Earl Munz of Pater-

son, N. J., chairman Eastern Agents Conference, presented the facts to that group, with the consequence that the PR work is being extended throughout the region. As the idea is broached to agents' groups in the east, against the background of the successful pilot test in Pennsylvania, the reaction has been enthusiastic.

The project is beginning to gather momentum at a propitious time, when agents, beset by the competition of direct writers and an economy that is leveling out, are alerted to the need of finding ways and means to make their value felt by the public—the value of local responsibility and service, economically and in civic affairs.

The significance of the program in EUA territory and of its success up to date lies in its revelation that the first step in achieving results in this field is to establish good relations with local agents. If the relationship of the companies with local agents is ineffective or there is not a vigorous, well considered plan for combining with local agents to do the PR job, the chances of achieving any improvement in the public's attitude toward or acceptance of the business of insurance or the idea of insurance become pretty remote.

It is all very well to believe in "education", for example, but it requires the team work of field men and local agents to achieve the exceptional success that was scored in Syracuse with the insurance course in the local commercial high school. There the course proved so satisfactory it has been made a part of the regular curriculum. The same could be said of a catastrophe plan, should a community ever have the misfortune to require its use, and of a dozen other activities not mentioned herein.

It is to be hoped that this program—and others like it—will not lose mo-

mentum, that whatever the temporary state of the market as to capacity, whatever the competitive situation and its pressures on commissions, that companies and their local agents can maintain this much of a common course and demonstrate to this extent at the very least an effective, useful, closed rank teamwork to the public.

PERSONALS

Rep. George H. Bender, president of the George Bender Co. agency of Cleveland, has announced his candidacy for the U. S. Senate seat held by the late Sen. Taft (R.), now occupied under appointment by Sen. Burke (D.). Mr. Bender is serving his seventh term in the House as Republican representative of the 23rd Ohio district.

Prof. John Ahern, who heads the fire protection and engineering department at Illinois Institute of Technology, has been hired by General Motors as part-time consultant on plant safety as part of the GM program following its disastrous fire at Livonia, Mich.

William A. Earls, head of the Earls-Blain Co. agency of Cincinnati, on the occasion of his 80th birthday anniversary recently, was feted at a party of his entire family and again at an office party with the employees. At the family party there were six children, 20 grandchildren and four great grandchildren. Two of the grandsons, who are in service in Korea, were absent.

Associated with Mr. Earls in the agency are Thomas William Earls, who is vice-president, and who is president of National Assn. of Casualty & Surety Agents, and John Earls, treasurer of the agency. Also there is William Thomas Earls, who is the general agent of Mutual Benefit Life at Cincinnati, former chairman of the Million Dollar Round Table of NALU, and twin brother of Thomas William.

W. A. Earls has not diminished his pace nor slackened his interest in day to day affairs. He was born at Dansville, N. Y., and that was the town that the famous old-time fire insurance executive, Thomas E. Gallagher, came from and that was the circumstance that was the controlling influence in Mr. Earls' career. Mr. Earls started in the insurance business in 1896 with Continental as an examiner. He had graduated at Union college in Schenectady. Then T. E. Gallagher, who headed the western department of Aetna, then located at Cincinnati, was on the lookout for a man to supervise the business of Aetna in four states and by reason of his Dansville associations he lined up Mr. Earls and the latter went to Cincinnati in 1900 to look after business for Kentucky, Tennessee, Arkansas and Indiana. But

there was a good deal more to the Gallagher influence than that, for in 1901, Mr. Earls was married to Elsie Gallagher, the eldest of the Gallagher children. Incidentally, her brother is Vincent Gallagher, assistant U. S. manager of Pearl.

In 1908, the Aetna western department was moved to Chicago and Mr. Earls had a big hand in supervising the moving. He remained in Chicago just three months and then made the plunge into the agency business. He got Harry Johansing to go in with him to form the Earls & Johansing agency. Mr. Johansing had been a clerk in the Laws agency at Cincinnati. Incidentally, in 1914 Mr. Johansing went to California and formed the Cass & Johansing agency at Los Angeles, which is a leading office there today. In 1922 Mr. Earls bought the Laws agency, in 1926 the Henry agency and besides that put together seven smaller agencies.

On March 1 the Earls-Blain agency is preparing to move to the Cincinnati Gas & Electric building. One of the important lines supervised by the agency is that of Cincinnati Gas & Electric.

Mr. Earls is a former president of Ohio Assn. of Insurance Agents.

Jack Butterick, assistant to Waldo O. Hildebrand, secretary-manager of Michigan Assn. of Insurance Agents, and a former Michigan department official, has been confined to St. Lawrence hospital, Lansing, following a hernia operation.

Claude L. Robinson, who has been appointed secretary of the marine and inland marine division of the Louisiana Insurance Rating Commission, takes the place left vacant by the death of Isadore W. Gajan of New Iberia. Mr. Gajan served as a member of the fire insurance commission from 1932-38, during the Huey Long regime and was formerly state highway commissioner. Mr. Robinson whose home is at Shreveport, was connected with Fidelity & Casualty for nearly 12 years.

Frank G. Grothe, Chicago casualty manager of Royal-Liverpool, went off to Miami Beach for Christmas, as has been his wont for many years. This season he may be found at the Stratford.

James D. Flemming, 68, has retired after 30 years with Fidelity & Casualty. He had been a special agent working out of the Buffalo office.

S. F. Accountants Elect

J. L. Morrison, National Union, was elected president of Insurance Accountants Assn. of San Francisco at the annual meeting. L. C. Muller, America Fore, is vice-president, and W. O. Gropius, National Fire, is secretary-treasurer. Named to the executive committee were A. A. Bogart, Commercial Union, and W. d'Lessio, California Casualty Indemnity Exchange.

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SAN FRANCISCO 4, CAL.—307 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

DEATHS

JOSEPH STAMPFER, 85, a vice-president of the Insurance Co. of St. Louis, died of infirmities at the Jewish hospital.

HOWARD M. BROWN, 70, who retired in 1945 as manager of Cook county auto insurance sales department of Lumbermens Mutual, died in Bellevue Place sanitarium, Round Lake, Ill. His home was Elwest farm at nearby Woodstock. From 1920 until he went with the Kemper group in 1933, Mr. Brown was general manager of Chicago Motor Club, as well as manager of the club's Inter-Insurance Exchange.

LEE N. CLEVELAND, president of State Auto Insurance Assn. of Des Moines, died at his home in that city at the age of 75. Mr. Cleveland was one of the three founders of State Auto in 1919, and he became president in 1944.

MORTIMER F. GRIM, for many years a field man for Phoenix of Hartford, died at his home at Columbus, O., at the age of 81. Mr. Grim, who had spent his entire business career in insurance, began with the old Franklin Ins. Co. of Columbus in 1895 and in 1897 joined Union of Philadelphia, now also defunct, as special agent for Ohio, Michigan and Kentucky, rejoining Franklin a few months later. In 1911 he became special agent for Phoenix. Mr. Grim was first keeper of Ohio Blue Goose. His son, Roger W. Grim, has been state agent in Ohio for Phoenix.

CLYDE L. LYNN, 63, president of Mutual Insurance Assn. of Ohio since 1935, died. For 21 years he was secretary of Patrons Mutual of Bellefontaine, O.

BERT B. BUCKLEY, 74, former Ohio state fire marshal, and more recently an attorney for the state industrial commission, died at Columbus, O.

JOSEPH TURNER, 49, who handled special management development projects for the Farm Bureau companies of Columbus, O., died Friday. His car had stalled as he was on his way to work and he died of a heart attack. He joined the Farm Bureau companies in 1943 at Schenectady, N.Y.

D. W. PIERCE, SR., 80, died at Los Angeles after a lingering illness. He was a native of Rutland, Vt., went to Santa Barbara in 1894 and to Los Angeles in 1898. In 1908 with Horace M. Wheeler he formed the insurance firm

of Wheeler Bros. & Pierce, continuing with it until 1928, when he joined the late Lee A. Phillips as executive vice-president of Pacific American Fire. Upon the sale of the company to Liverpool & London & Globe, he became southern California manager for the latter company, resigning in 1943. He had served as president of Insurance Assn. of Los Angeles. He was one of the leading insurance men of Los Angeles from 1908 until his retirement. A son, Wilson D. Pierce, is head of the insurance firm of Pierce & Siebert.

WILLIAM B. WHITE, retired superintendent of the bureau of fire prevention and water supply of New York Board, died suddenly in Florida.

He had been with the bureau 45 years before he retired in 1941. He was recognized as an authority on building codes and fire prevention matters.

WILLIAM L. WALLACE, 66, retired vice-president of Pacific National Fire, died at Philadelphia. He served the company as vice-president for 20 years and was also vice-president of Manufacturers Casualty at the time of his retirement.

WESLEY D. COBB, 62, former claims superintendent for the American-Associated group, died of a heart attack at the Veterans Administration hospital at Sawtelle, Cal. He had been a patient there for minor surgery.

PHILIP C. REYNOLDS, an authority on casualty insurance law, died at Minneapolis, where he had practiced law for many years. At one time he served on the Minnesota industrial commission.

R. C. KOLLER, Michigan state agent of Niagara and American Eagle, who died recently, had been with America Fore since 1926. He started at Chicago as a survey map clerk and went through the underwriting departments before going to Michigan as special agent in 1939 as assistant to A. B. Paulsen, state agent. In 1947, Mr. Koller became state agent for American Eagle and Niagara. He was given a leave of absence in July of this year for health reasons.

MISS MARIE K. FRANZEN, 67, president of Franzen & Franzen, local agency at Shorewood, Milwaukee suburb, died at Sacred Heart sanitarium, Milwaukee, after a brief illness. She was associated with her sister, Gertrude, in the agency they founded in 1940.

WILLIAM F. VAUGHAN, veteran local agent of Clarendon, Ark., died at the age of 79.

CLARENCE H. MARSH, 71, who had operated a local agency with his son, Robert, at Rice Lake, Wis., since 1938, died there after an illness of six weeks. He established his first agency at Milwaukee in 1932.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.,
135 So. LaSalle St., Chicago, Dec. 22, 1953.

	Div.	Bid	Asked
Aetna Casualty	3.00	132	138
Aetna Fire	2.40	55 1/2	57
Aetna Life	2.50	90	92
Agricultural	1.60	29	30
American Alliance	1.60	37	38
American Equitable	1.50	22 1/2	30
American Auto	2.00	47 1/2	49
American, (N. J.)	1.10	26	27
American Motorists	.40	14 1/2	16
American Surety	3.00	59	61
Boston	1.40	34	35
Camden Fire	1.10	23	24
Continental Casualty	2.50	95	96 1/2
Crum & Forster Com.	1.80	46	47
Federal	.80	32	33 1/2
Fire Association	3.00	71	73
Fireman's Fund	1.60	64	66
Firemen's (N. J.)	1.00	27	28
General Reinsurance	1.60	39	40
Glens Falls	2.00	61	62 1/2
Globe & Republic	.80	15 1/2	16 1/2
Great American Fire	1.80	32	33
Hartford Fire	3.00	169	172
Hanover Fire	1.80	39	40 1/2

	Div.	Bid	Asked
Home (N. Y.)	2.00	39	40
Ins. Co. of No. America	2.25	79 1/2	80 1/2
Maryland Casualty	1.50	23	24
Mass. Bonding	1.50	23	24 1/2
National Casualty	1.50	23	24 1/2
National Fire	3.00	77 1/2	79
National Union	2.00	42	43 1/2
New Amsterdam Cas.	1.50	46 1/2	48
New Hampshire	2.00	44	46
North River	1.20	27 1/2	28 1/2
Ohio Casualty	1.55	63	65
Phoenix, Conn.	3.40	99	102
Prov. Wash.	1.50	27 1/2	28 1/2
St. Paul F. & M.	1.00	35	36 1/2
Security, Conn.	1.70	35 1/2	36 1/2
Springfield F. & M.	2.00	49 1/2	51
Standard Accident	1.80	50	51 1/2
Travelers	14.00	820	830
U. S. F. & G.	2.00	67	69
U. S. Fire	1.50	38 1/2	40

*Includes extras.

James R. Jinks Now on Own

James R. Jinks has established his own local agency in the Fairfield building at Shreveport, La. He was formerly with the Maynard, Jinks & Clark agency there.

SEASON'S GREETINGS

and best wishes for
the NEW YEAR



Grain Dealers Mutual

INSURANCE COMPANY

INDIANAPOLIS 7, INDIANA

Western Department: Omaha 2, Nebraska

FIRE & ALLIED LINES • AUTOMOBILE • INLAND MARINE

MIDWEST UNDERWRITERS

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Surplus Line Broker • Lloyd's London Correspondent

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brokers
only

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SURPLUS LINE FACILITIES
FOR OHIO AND
SURROUNDING
STATES

Jackson Chairman of American Insurance Assn.

(CONTINUED FROM PAGE 1)

steps to terminate its existence and that the purely fire functions that it has performed, such as work on rates and forms, will continue with the four regional fire organizations from a New York headquarters. There has been an interregional committee in IEA, but IEA was an executives' organization. The conference will be a national clearing house for the regionals. It will operate by and for them, on practical problems of immediate concern to them.

Even though the new AIA will embrace all lines, it will not be superimposed on or over National Board, Assn. of Casualty & Surety Companies, Inland Marine Underwriters Assn., etc., which have plenty of functions of their own with which they will continue as in the past. AIA will not tell them what to do, though the effect of the discussion of major issues by top executives of the companies may eventually find itself reflected in expressions of company policy or attitude in the deliberations of these other bodies.

This is a new style of organization. It is different in construction and purpose. It is a forum. It has no force except for the persuasion of argument.

A company executive may say, "I think I am going to do this"—or that. Other executives may object, they may

point out that the action will have certain consequences and does the first executive want that to happen? Perhaps he will be persuaded to relinquish that course, or alter it, or take more time before setting out upon it.

Or, he may decide to do it anyway. Even if he does, and all the other members of AIA disagree with the wisdom of his doing it, he is still a member of AIA, in good standing.

AIA will meet frequently. Its agenda will consist of any topics which members think should be discussed. If the business were asked by the government to take action or express a view on war damage coverage or crop insurance, that might be placed on the AIA agenda.

The launching of an association of this kind reflects the ideas and efforts of a number of men. But one executive, H. C. Conick of Royal-Liverpool, has furnished a great deal of the drive and purpose that has resulted in the establishment of AIA. It was at the dinner of top executives at the Hotel Pierre in New York two years ago that Mr. Conick outlined the need for and the idea of an organization of this sort. The proposal met with some favor, but nothing was done. Subsequently there were other informal meetings. At some of them executives evinced little interest.

Then the proposal began to acquire real momentum last June, when Mr.

Conick became chairman of Insurance Executives Assn. and named a committee on reorganization. From the deliberations that ensued there gradually evolved the recognition that what was needed was not a reorganized IEA but an entirely new establishment embracing all lines. It was as a result of this committee's recommendations that IEA last week decided to terminate. The organization meeting of AIA which followed was attended by more than 30 groups not members of IEA.

From Mr. Conick's viewpoint the interest in AIA and its activation must have come as no surprise. He has been working on the coordination of fire, casualty and marine operations in his own company group for a number of years and had watched other groups take the same steps and come to the point where they could visualize the necessity of a new and common approach as an industry as well as one company group.

As he guided the adjustment of his own companies to the consequences of the SEUA case and to the developments of multiple line underwriting, Mr. Conick saw arise many new problems. The all-industry approach to rating laws was an example. Several all industry committees, organizations and the like came into existence. The business was resorting to all-industry means of solving problems because the problems were of that nature. Cited as other similar examples of all-industry problems are war damage, taxes, uniform accounting, national health insurance, non-admitted reinsurance, etc. These are not suggested as subjects that will appear on the AIA agenda but as being symptomatic of the need for a forum representative of the business where matters of this nature can be accommodated. It is a means to test the times, whatever they may be, and it is regarded as a fine thing indeed that the idea prevailed before Mr. Conick's retirement Dec. 31.

Arthur Eaton Joins ICT as Vice-president

Arthur B. Eaton has joined Insurance Co. of Texas as vice-president. He will be concerned with fire and casualty production as assistant to J. H. Abright, vice-president and general manager.

Mr. Eaton has been in the insurance business for nearly 30 years. He was with Indemnity of North America from 1928 to 1941, then for two years was with Royal-Liverpool group. In 1943 he joined American Mutual Liability and then in 1945 went with Lumber Mutual Casualty. From 1951 until 1953 he was vice-president of Manufacturers Casualty and Manufacturers Fire.

Honor 75-Year Ohio Agency

A dinner was given by the North America companies at Granville, O., commemorating 75 years representation by the Hooper Franklin agency of Newark, O. The agency was established in 1877. It has represented North America since 1878 and Indemnity of North America since 1921. The dinner was arranged by Paul R. Lorey, Lewis P. Richey and George F. Welch of the Columbus office and the entire staff of the North America companies and their wives attended. Honor guests were C. E. Jones, the present owner, and Mrs. Ethel Franklin Jones, granddaughter of the founder.

CANADIAN EXECUTIVE

seeks position with Head Office of American Company. Twenty-six years experience various departments. Considerable knowledge of Planning, Conservation, Accounting and Personnel. Field office background. Address V-87, The National Underwriter, 175 W. Jackson, Chicago 4, Ill.

FTC Investigation Will Cover All Types of A&H

(CONTINUED FROM PAGE 1)

gress may be interested in a report on A&H and hospitalization insurance. In this connection, officials said that jurisdictional problems do not enter into the situation with regard to fact finding as between federal and state authorities.

If the findings indicate violation of federal law, FTC may institute legal proceedings. If state laws are violated, it is assumed these would be reported to state authorities under the new FTC policy which the commission members said were designed to strengthen its procedures for cooperating with state officials. If the commission decides on legal action, it can issue formal complaints, although before doing so it can contact the companies involved directly and endeavor to reach settlement.

The FTC investigation will not replace the mail order advertising study that is being conducted by the Langer committee of the Senate. That committee has sent out invitations to 67 A&H organizations to appear, and a number of state commissioners are expected to be on hand when the committee resumes.

Fireman's Fund Choraliers Add Yule Touch at Chicago

The Christmas atmosphere of the Insurance Exchange building lobby at Chicago was considerably enhanced with presentation of Christmas carols during the noon hour on Tuesday and Wednesday by the Fireman's Fund choraliers. The group consisted of 22 women and eight men and was attired in uniform red gowns. It is planned to make the carol singing an annual event. Miss Mary Cummings, secretary to E. D. Lawson, vice-president and western manager, directed the singing. Active in forming the group were Al Beutler and William M. Kamenjarin.

Assn. Names Stringfellow

William A. Stringfellow, formerly manager at Raleigh for Johnson & Johnson, has been appointed to the new post of executive secretary of North Carolina Assn. of Mutual Agents. The association, which at present has headquarters at Hickory, plans to move its main office to Raleigh in the near future. Henry J. Carr, owner of the Carr-Dale agency at Clinton, is president.

USF&G Opens Branch

U.S.F.& G. will open a new branch office Jan. 1 in Scranton, Pa. John D. Kemple is branch manager. The company has had a service office in Scranton 12 years under jurisdiction of the Harrisburg branch. The Scranton office has developed nearly \$1 million of casualty, bonds and fire business a year.

Frank Schuck to Retire

Frank M. Schuck, head of the accounting department of Detroit Insurance Agency, is retiring Dec. 31 after 38 years with the agency. His successor will be Earl H. Spuck. Also on Jan. 1, Clark J. W. Colby will become comptroller of D.I.A.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

UNUSUAL FIELD OPPORTUNITY IN NORTH CAROLINA AND VIRGINIA

A prominent New England mutual fire insurance company has an attractive opportunity in North Carolina and Virginia for a field man with a record of accomplishment. We are most interested in a man between thirty and thirty-five years of age with five or more years of field experience in fire or casualty insurance. Better than average salary and benefits will be paid to the right man.

If you are interested in being considered for this position write a personal letter stating experience, education and personal information. Write—Box V82, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

OPPORTUNITY UNDERWRITER CLAIM MANAGER

Fire & Casualty Company being organized in Southeast needs Underwriter experienced in all lines to take charge of department. Also Claim Manager of proven ability. Excellent opportunity to grow with company. Give complete business and personal history. Reply in strictest confidence to V-87, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY MANAGER

Unusual opportunity for man under 40 to establish Kansas City regional office for expanding Hartford multiple-line stock company. Replies strictly confidential. Send experience, age, to V-81, The National Underwriter Company, 175 W. Jackson Boulevard, Chicago 4, Ill.

STATE AGENT PENNSYLVANIA

Multiple line New York Stock company requires Fieldman specializing Fire/Inland Marine, to locate in Philadelphia or Harrisburg area. Salary open. All inquiries will be kept confidential. Address Box 92, National Underwriter, 99 John St., New York 38, N. Y.

CLAIMS MANAGER

A growing multiple line (fire, auto liability and physical damage, and general liability) company offers excellent opportunity to take charge of claims department in Milwaukee home office. Must have had several years experience as adjuster in auto liability and be willing to participate in adjustment of some claims throughout middle west. Married, age not over 40 preferred. Write or phone giving age, experience, training, and salary expected. Replies confidential.

Market Mens Mutual Insurance Co.
735 North Water Street, Milwaukee 2, Wisconsin
Phone BR 4-3003

ASSISTANT LOSS SUPERINTENDENT ASSISTANT EXAMINER

for Western department of an aggressive stock fire company group, Chicago location. Liberal company benefits offered. Salary commensurate with experience and ability. Address V-23, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

OPENING

For Casualty Special Agent in Indiana for large General Agency. Not a replacement but an expansion of our service facilities. Good opportunity for right man. Give educational, business background, full details. Box V-75, The National Underwriter Co.

SURETY BOND UNDERWRITER

Key position open for experienced underwriter in rapidly expanding western department of aggressive company. Salary commensurate with experience and ability. All inquiries treated in strictest confidence. Address V-84, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Multiple Line Fire and Casualty Company desires experienced field man for development of eastern Kansas and western Missouri with headquarters at Kansas City.

SUPERIOR INSURANCE COMPANY
DALLAS, TEXAS

Fireman's Fund Is Revising Tex. Field

Fireman's Fund group on Jan. 1 will rearrange its Texas field.

Jim J. Wilson, special agent, will be in charge of the Ft. Worth office, which will be located at 318 W. T. Wagoner building. Mr. Wilson has been in the central west Texas field for Fireman's Fund for three years. He is a graduate of the University of Oklahoma and has had agency experience.

Boyette A. Hasty, Jr., will be transferred to a new office at San Angelo, which will be in the Federal Savings & Loan Association building, in charge of the western Texas territory. He has been at Dallas, and Seaton A. Jackson will replace him there. Mr. Jackson attended the University of Georgia and is an honor graduate of the Insurance Institute of America. He has been Texas examiner for Fireman's Fund at Atlanta.

Fireman's Fund Texas offices after the first of January will be located at Dallas, Lubbock, Houston, San Antonio, Ft. Worth and San Angelo.

Public Nat'l Ups Capital, to Enter Other States

Public National of Miami is increasing capital and surplus by \$100,000 through the sale of 5,000 additional shares of \$20 par value stock. This will bring capital to \$350,000 and surplus to about \$300,000.

President of Public National is Kurt Hitke who also heads Kurt Hitke & Co. of Chicago. Capital and surplus are being increased so the company can meet requirements of several additional states it will enter soon.

Holders of stock of record at Dec. 9 have a right to purchase one additional share of common stock for each four shares now held at the \$20 price. Any additional stock not subscribed by the year-end will be purchased by the officers.

Entertain 100 Orphans

Chicago A. & H. Assn. was host to 100 orphans last week at its annual Christmas party. The children were given a turkey dinner and gifts and in the afternoon were entertained with games and skits. Mary Hartline, TV entertainer, was on hand, and Santa Claus was played by John Campbell of Provident L. & A. Earl W. Montgomery, Moore, Case, Lyman & Hubbard, and Mrs. Catherine Meade Corbett, formerly of Loyalty group, were in charge of the program. Mary E. Miller, Miller agency, is president of the women's division, and Robert E. Keeley, Monarch Life, is president of the association.

Xmas Doings at Portland

A. & H. Underwriters of Portland, Ore., held their Christmas party last week with E. J. Coffey of H. K. Coffey & Associates, the president, in charge. Mr. Coffey presented a gift to Frank L. Emery, Oregon deputy commissioner, who retired Dec. 1, and there was entertainment in the form of a skit, with J. L. Gilbertson, C. A. Hyslop and Paul J. Kellar of the Coffey agency in leading roles.

New Members of N. Y. Board

American Marine & General, Commercial, Metropolitan Casualty, New Zealand and South Carolina have joined New York Board.

The board's loss committee has received approximately 3,300 claims as a result of the windstorm Nov. 6.

Dean Plan in Providence

The Dean analytic system for rate-making will be used in Providence in the future by New England Fire Insurance Rating Assn. and a short

course, to be given in January, sponsored by Rhode Island Assn. of Insurance Agents, will acquaint local agents with the method.

To be rated by the system will be all non-sprinklered mercantile, manufacturing and non-manufacturing risks, churches, schools, hospitals and public buildings in Providence. Instructor for the course, to be given Jan. 11-25, will be William B. Collins, assistant manager of the rating association.

Evanston Wins Cook County Fire Prevention Award

Top awards in the annual Fire Prevention Week contest conducted by Chicago Assn. of Commerce & Industry and Cook County Inspection Bureau went to Evanston for its overall excellence in a program of public education. The contest is for fire departments operating within Cook county. On a population basis, the first place winners after Evanston, were Cicero, Des Plaines, Winnetka, Northlake and Columbus Manor. Awards were given by Richard P. Skaer, assistant manager of Cook County Inspection Bureau and chairman of the contest committee.

Cal. Doctors to Draft

Their Own Claim Blanks

California Medical Assn. intends to work out a form of its own to be used by doctors filling out reports for all types of A. & H. insurance. It is intended to have this form cover all types of A. & H., such as group, individual, hospital, etc., for all types of insurers.

The form will be drafted by a special committee appointed last week by the association's house of delegates.

Swett & Crawford Ups Two

Richard P. Welch, who has been in the casualty underwriting department of Swett & Crawford at San Francisco, has been appointed casualty special agent covering the coast territory north of San Francisco. Robert E. Green has been appointed assistant manager of the inland marine department at San Francisco.

Hubbard Named in Cal.

H. N. Hubbard has been appointed special agent in California for Aetna Fire with headquarters at San Jose. He replaces James E. Towne.

Formerly a successful local agent, Mr. Hubbard sold his business in order to move to the bay Area.

Riddick Joins Cobb in N. C.

Emmet L. Riddick, who for five years has been with North Carolina Fire Rating Bureau, has joined the James O. Cobb & Co. general agency of Durham as special agent. He will have headquarters at Rocky Mount, N. C.

Chicago Adjusters Have Party

Adjusters Assn. of Chicago had a turnout of 255 members and guests for its Christmas party. There was a cocktail hour and group singing preceding the dinner. The next regular meeting will be Jan. 14.

Insurance Men Tour Miss.

Four insurance executives made an observation trip, mostly by air, of western Mississippi as guests of Mississippi Power & Light Co. They were James G. Butler, secretary of Aetna Life; Arthur W. Gregory, Jr., assistant vice-president of Hartford Fire; Kenneth R. Lee, assistant treasurer of Travelers, and Edwin F. Schwobel, manager of Utility Investments for Connecticut Mutual Life. The men were guests at a dinner at Jackson attended by several local insurance persons.

Mutual of Omaha Receives Plaque Honoring Dr. Criss

OMAHA—More than 300 attended the annual forum here of the General Agents Assn. of Mutual Benefit H. & A.

Tribute was paid to the late Dr. C. C. Criss, founder of the company, when a bronze plaque in the home office lobby, presented by the general agents, was unveiled. John B. Lambert, Cleveland, as president of the association, presided at the ceremonies. Mrs. Mabel Criss, director of planning and personnel, widow of Dr. Criss, accepted the plaque for the company.

At a dinner honoring the association, talks were made by V. J. Skutt, president, and H. C. Carden, vice-president.

Roy Morgan, Atlanta, Ga., is the new association president. C. H. Jurgens, New York City, was elected 1st vice-president and B. F. Helmbrecht, Buffalo, 2nd vice-president. William Halliday, Jr., Birmingham, Ala., and C. T. Tollefson, Fargo, N. D., continue as treasurer and secretary, respectively.

Unearned Commissions Irk Union Officials

(CONTINUED FROM PAGE 3)

question at present whether the department actually has jurisdiction over these funds, even though they cover their obligations through insurance companies, Blue Cross or Blue Shield, as most of them do.

However, if the department contends it should have supervision over welfare funds, there is likely to be considerable outcry from many funds, particularly the uninsured funds, the contention being, "Why pick on us and not the pension funds that put their assets in the trust companies?"

It is believed that some of the union

welfare funds, particularly those providing retirement benefits, may not be on an actuarially sound basis and might be in bad shape if a depression should come along and cause a lot of members to retire instead of working after retirement age as many do now. But there is also uncertainty about the actuarial soundness of some of the assumptions that non-labor union funds are based on. In other words, legislation aimed primarily at correcting union labor welfare fund abuses could wind up by encompassing all uninsured employee benefit funds in the state.

It has been pointed out, however, that any move in that direction would run into stiff resistance from the state banking department, which supervises the trust companies having custody of the funds.

Boston Names Hill in N. J.

R. Bruce Hill has been appointed special agent for northern New Jersey by Boston and Old Colony, with headquarters at Newark. On returning from army he completed his education at Pace Institute and also has completed the insurance courses given by Insurance Society of New York.



This unusual shape is a formidable weapon—a boxing glove.

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If you're an agent who has considered placing an unusual risk with Illinois R. B. Jones, but hesitated because you didn't want to skip established connections, worry no more! Your present connections are merely supplemented by Illinois R. B. Jones for these unusual risks. However, unusual risks are not the only type handled. More usual insurance such as false arrest and overage accident also get unusual handling from Illinois R. B. Jones.

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C. Reid Cloon, Vice-President

James M. McMillin has sold his insurance agency at West Plains, Mo., to Ted Gulic.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

contest the withdrawal of North America companies on the theory that they cannot be in for some lines and out for others. NYFIRO also has the right to challenge any deviation. The North America move may also be contested by other rating bureaus.

North America also is withdrawing as a subscriber from National Automobile Underwriters Assn. It was one of the charter members of MPIRO but earlier this year withdrew entirely for the homeowners but changed from member to subscriber of MPIRO for manufacturers output.

SEUA Assistant Secretary Retiring

R. S. Holliday, assistant secretary of Southeastern Underwriters Assn., will retire on Dec. 31. He rounded out 50 years in fire insurance last July, 48 years with SEUA. He is an authority on reporting forms of cover and business interruption insurance and has been assistant secretary since 1946.

Form New A & H Insurer in N. Y.

Notice of intention to form Chemical Ins. Co. to write A & H insurance has been filed in New York. Initial capital would be \$1 million and the head office would be at 1560 Broadway, New York City. William Parker, one of the incorporators, is listed as a broker in New York city.

Dunbar Joins Cleveland Agency

Claire W. Dunbar is joining Cleveland Insurance Agency as manager of the fire insurance department. He is a graduate of Illinois Institute of Technology in 1938 and after three years with Michigan Inspection Bureau traveled eight years for Great American except for time out for navy service. For the past four years he has been Ohio state agent of Northern of N. Y.

Schmuck Brief Opposes D. C. Tax Hike

Edward Schmuck, Acacia Mutual, chairman special committee on premium taxes representing District of Columbia companies, has filed with the District a brief opposing the proposal to increase the D. C. premium tax from 2 to 2½%. The document dwells upon state retaliatory statutes under which companies would have to pay additional taxes in other states because of the proposed increase. The commissioners are asked to reconsider their proposal, also asked to give a conference or hearing.

Two New Partners in Chubb & Son

H. Addison Taylor, Jr., vice-president of Federal, and William M. Rees, vice-president of Vigilant, have been admitted to Chubb & Son as partners. Mr. Taylor, who started with Chubb in Atlanta in 1929, became manager there and now is head of the casualty department. Mr. Rees, also an alumnus of the Atlanta office, has been with the group since 1937.

Ky. Steering Group Named

Walter R. McCord, executive secretary of Kentucky Assn. of Insurance Agents, has announced the new executive committee. It includes Guy Billington, Murray, chairman; Louis W. King, Olive Hill; Sheridan C. Barnes, Elizabethtown; J. B. Royster, Henderson; Richard F. Arnsperger, Lexington; James W. Henning, Louisville; Donald H. Putnam, Jr., Ashland; J. R. Montgomery, Springfield; Robert A. Lawton, Central City, and Charles H. Moore, Bowling Green.

Horwitz Heads L. A. Agents

Insurance Assn. of Los Angeles has elected these new officers; President, Nathan M. Horwitz; vice-president, A. N. Bushnell, Jr.; directors, H. M. Burgwald, Jr., Ray Davis, John M. Haggerty, Roy M. Dougherty, James A. Londsey, James H. Pingree, Kennedy Galpin, Herman Schroeder and Don T. Randall.

The report of the membership committee showed the association now has 353 paid-up members, and is the largest association affiliated with the California Assn. of Insurance Agents.

Indianapolis Agency Robbed

The Speedway agency at Indianapolis was held up by two gun men who escaped with more than \$1,000. The agency is operated by Robert A. O'Neal, former state police superintendent.

Sperry Named in Ill. Field

George C. Sperry has been appointed farm special agent in northern Illinois for Fireman's Fund. His headquarters will be at Chicago.

cy, vice-president; F. George Macke, Crane agency, treasurer; William R. Dunham, Mercantile agency, secretary, and these executive committee nominees: Robert V. Heffernan, Lawton-Byrne-Bruner agency; Fred R. Donly and William R. Griffin.

New officers will be installed by Missouri Superintendent Leggett.

Criticizes AMA Resolution Condemning Blue Shield

The 10th anniversary meeting of the Milwaukee Blue Shield plan was enlivened with some hot debate when Dr. L. H. Schriver, Cincinnati, national president of the Blue Shield, condemned American Medical Assn. for adopting a resolution at its recent meeting criticizing Blue Shield for joining with Blue Cross in developing prepaid plans. At a meeting of the medical society at Milwaukee, Dr. Schriver said the resolution was "railroaded", with the delegates acting on "misinformation." Dr. D. H. Witte, a delegate to the St. Louis meeting, protested that Dr. Schriver did not object to the resolution when it was acted on, and didn't call attention to any misinformation.

The AMA people have contended that Blue Cross should not pay benefits for x-rays, laboratory work and anesthesia, saying these are services provided by doctors and doctors should not be hired by hospitals. The AMA adopted its resolution after Medical Indemnity, the national agency of Blue Shield and Health Service, the Blue Cross agency, wrote a group plan for meat packing firms which includes x-rays and laboratory benefits under the hospital plan.

UCD in NJ Produces 1% Plus Edge for Insurers

The experience of 60 insurers on insured private plans of UCD in New Jersey in 1952 was as follows: earned premiums less experience refunds and credits of \$768,028 totaled \$24,190,503, dividends to policyholders were \$842,495, and benefits incurred were \$19,233,574. Claims expense was \$470,557; commissions, other acquisition and field supervision expense all totaled \$1,423,513, general administrative expense \$945,086, and taxes, licenses, government charges and fees \$873,290.

On more than \$24 million of business, the margin for 60 companies writing UCD in the state was \$401,985. This is between 1 and 2%.

New Conference Publication

H & A Underwriters Conference has begun publication of a new monthly bulletin entitled "Individual Coverage," which as a companion piece to its "Group Briefs" will be sent to home office underwriters in order to keep them abreast of new trends in underwriting and coverage. Bruce Gifford, conference administrative assistant, is the editor, and most of the material will be supplied by the underwriting committee which is headed by Charles M. Barry, Ohio State Life.

The new bulletin will treat all types of individual coverage.

Va. Agency 60 Years Old

The Pierce agency at Christians, Va., is celebrating its 60th year of operation. It was established by the late Major W. I. Pierce, with Home as its first connection. That company is still represented by the agency, which is now operated by Edwin D. Pierce and Mrs. Julia B. Pierce.

Watson to Brown Brothers

Charles M. Watson, former superintendent of fire claims at Los Angeles for the Loyalty group, has joined Brown Brothers Adjusters at San Francisco as superintendent of the fire and inland marine department.

Corcillo to Face N. Y. Attorney General for Refusal to Testify

NEW YORK—Superintendent Bohlinger of New York Tuesday turned over to District Attorney Hogan the case of Alphonse C. Corcillo and Mrs. Pauline Bender Lewis for refusing, on advice of counsel, to testify at the joint hearing held last week before the insurance department, the Moreland act commission investigating harness racing, and the attorney-general's department.

Mr. Bohlinger took this action to have the balky witnesses prosecuted under the insurance law provision that states that "any person who without just cause fails to attend and testify" at authorized hearings "shall be guilty of a misdemeanor", which is punishable by a \$50 fine, a year in jail, or both.

Ladd New San Antonio Head; Honor Past Presidents

F. F. Ludolph was elected secretary for his 41st year at a meeting of San Antonio Insurance Exchange, which paid special tribute to the organization's past presidents.

New officers of the exchange are Charles C. Ladd, president; Jack Fraizer, vice-president; and Mr. Ludolph. Past President Travis D. Bailey presented certificates to the other past presidents who attended. Senior in this group was Arthur C. Burnett, Houston, who headed the exchange in 1920.

Open New Seattle Office

Millers National and Illinois Fire will open a Seattle office at Jan. 1. N. T. Cooper, northwest resident manager, is moving his headquarters from Portland to Seattle. However, the Portland office will be continued.

Edward Altorfer is being advanced from special agent to state agent. With supervision over the Oregon field.

Moves Flagstaff, Yuma Offices

Arizona Adjustment Agency has moved its Flagstaff office to new and larger quarters at 210 North Agassiz street. The manager is Roy C. Wacker. The Yuma office also has moved to a new ground floor location at 50 B Court street. R. C. Jester is manager.

W. JUUL, foreign editor of The Review of London, the well-known insurance publication, died suddenly at London. Mr. Juul for the past several years has been author of an article on world-wide reinsurance developments that has appeared in the reinsurance edition of THE NATIONAL UNDERWRITER. He attended regularly the meetings of International Marine Insurance Union and he sent accounts on these to THE NATIONAL UNDERWRITER which were published from time to time. The article he sent for this year's reinsurance edition arrived at THE NATIONAL UNDERWRITER after his death.

W. Harold Leonhart, head of W. H. Leonhart & Co., of Baltimore, reinsurance intermediaries, Mrs. Leonhart, and their children are spending the holidays at Orlando, Fla. The Leonharts will be hosts at a party Dec. 29 and on New Year's eve there.

E. L. Cox will become office manager of Michigan Mutual Liability at Saginaw, Mich., Jan. 1. He has been district credit manager.

Christopher F. Lee, 2nd vice-president of Columbian National Life, was speaker at the Dec. 7 meeting of Western New York A&H Assn. at Buffalo.

HERE'S WHAT
HAPPENED BEFORE
I TOOK OUT PLATE
GLASS INSURANCE



HERE'S WHAT
HAPPENED AFTER
I TOOK OUT PLATE
GLASS INSURANCE



IT'S A SPLIT

DECISION

YOU CAN HELP YOUR PROSPECTS MAKE

- 1 - UNINSURED, I shopped around for hours among jobbers trying to get the lowest price on a replacement.
- 2 - I went without a window over-night.
- 3 - I had to purchase lumber and hire laborers to board up the window until the glass arrived.
- 4 - I could have purchased a plate glass policy and enjoyed the convenience for a lot less than it cost me in time and effort.

- 1 - INSURED, I notified the company and got a window replacement within a few hours.
- 2 - Insurance companies are the largest buyers of glass and don't have to shop around for the lowest bid.
- 3 - I was advised an emergency crew would arrive to make temporary accommodations if it was too late in the day for a glass replacement.
- 4 - I got my money's worth . . . and more.

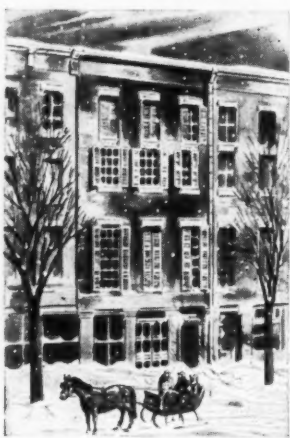
Telephone MOhawk 4-1100

Members of the Chicago Association of Commerce

BENJAMIN BERIS, President

Members of the Chicago Better Business Bureau

American Glass Company
1030-42 NORTH BRANCH STREET • CHICAGO



1853



1953

Times change

but not the Greeting

Best Wishes

for a most enjoyable Holiday Season
and a New Year
of prosperity and happiness

Ætna Life Insurance Company
Ætna Casualty and Surety Company

HARTFORD



Automobile Insurance Company
Standard Fire Insurance Company
CONNECTICUT